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# ***Daily Report***

## **China**

FBIS-CHI-91-040  
Thursday  
28 February 1991

# Daily Report

## China

FBIS-CHI-91-040

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### Spokesman Welcomes Combat Suspension

OW2802080991 Beijing XINHUA in English  
0805 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—China welcomes the suspension of offensive combat operations announced by the United States, a Chinese Foreign Ministry spokesman said at the weekly news briefing here this afternoon.

The spokesman said this when asked to comment on the suspension of offensive combat operations by the U.S.-led multinational forces announced by American President George Bush.

The spokesman said that ever since the outbreak of the Gulf war, the Chinese Government has all along called for an early end of the war and realization of peace.

He said that the Chinese Government has always definitely maintained that a practical formula for a political settlement should be sought within the framework of the relevant United Nations resolutions on the Gulf crisis so that the desire of the people of the Gulf region and the rest of the world for peace in the Gulf will become a reality.

He said that the UN Security Council should continue to play its positive role in this regard.

#### 'Gratified' at Kuwait Restoration

OW2802083991 Beijing XINHUA in English  
0830 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—China is gratified to see that the amir of Kuwait has appointed Sa'ad al-'Abdallah al-Sabah, crown prince and prime minister, the supreme administrator for military control and they will return to Kuwait in a few days to exercise military control and restore order, a Chinese Foreign Ministry spokesman said here today.

The spokesman said this at the weekly news briefing here, when asked to comment on the restoration of Kuwait's sovereignty and the appointment of the supreme administrator by the amir of Kuwait.

The spokesman said that since the very beginning of the Gulf crisis, China has stood for the restoration of the independence, sovereignty, territorial integrity and the legitimate Government of Kuwait.

He said that the amir of Kuwait has now appointed His Highness Sa'ad al-'Abdalla al-Sabah, crown prince and prime minister, the supreme administrator for military control. They will return to Kuwait in a few days to exercise military control and restore order.

"We are gratified to see this," the spokesman said.

He said China hopes that Kuwait will soon heal the wounds of war and rebuild the homeland.

"The Chinese Government will, as always, develop and enhance the existing friendly relations and cooperation between the two countries on the basis of the five principles of peaceful coexistence," the spokesman said.

#### 'Respects' Thai People's Choice

OW2802084791 Beijing XINHUA in English  
0842 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—China respects the choice of the Thai people, a Chinese Foreign Ministry spokesman said at the weekly news briefing here this afternoon.

He said this when asked to state his reaction to the coup in Thailand.

The spokesman said that China never interferes in other country's internal affairs, adding that the change of a country's government is its internal affairs.

He said that China has always attached importance to its friendly relations and cooperation with Thailand, and "Sino-Thai bilateral relations have all along been good."

"We hope and believe that such friendly relations and cooperation will be maintained and developed," he added.

#### Urges Phnom Penh To Avoid 'New Obstacles'

OW2802090091 Beijing XINHUA in English  
0850 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—A Chinese Foreign Ministry spokesman today urged the Phnom Penh authorities to refrain from placing new obstacles to the political settlement of the Cambodia question.

Spokesman Duan Jin was speaking at a news briefing here this afternoon, when asked to comment on the Phnom Penh's announcement that it will hold a general election in 1992 if the four parties in Cambodia fail to reach a peace agreement.

At present, he noted, the international community is making efforts towards a comprehensive political settlement of the Cambodia question.

In the five framework documents adopted by the permanent five of the U.N. Security Council and the draft agreement on a comprehensive settlement of the Cambodia conflict, it is explicitly pointed out that the future general election in Cambodia should be held in a free and just way under the auspices of the United Nations and that the destiny of the country should be decided by the Cambodian people according to their own will, the spokesman said.

Under such circumstances, he added, the announcement by the Phnom Penh side that it will hold the so-called general election unilaterally in 1992 goes against not only Cambodia people's aspirations for realizing

national reconciliation, but also the efforts of the international community for a comprehensive political settlement of the Cambodia question.

"We hope that the Phnom Penh authorities will get a clear understanding of the situation, conform to the trend of the times and refrain from placing new obstacles to the political settlement of the Cambodia question," Duan said.

China hopes that all parties to the conflict in Cambodia will act on U.N. Security Council Resolution 668, the framework documents adopted by the permanent five of the U.N. Security Council, the draft agreement on a comprehensive political settlement of the Cambodia question and the joint declaration made in Jakarta by the four Cambodian parties, so as to work for a comprehensive political settlement of the Cambodia question at an early date, the spokesman said.

#### **Welcomes Australia's 'Positive Attitude'**

OW2802090891 Beijing XINHUA in English  
0834 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—The Chinese Government welcomes the positive attitude and steps taken by the Government of Australia for restoring and improving Sino-Australian relations, a Chinese Foreign Ministry spokesman said here today.

The spokesman made the remark in response to a question requesting comment on Australia's decision to lift most of its sanctions against China at today's weekly news briefing.

This is in the interest of both peoples, the spokesman said. "We hope and believe that the friendly relations and cooperation between China and Australia will be further improved and developed."

#### **Marshall Islands' President To Visit**

OW2802100091 Beijing XINHUA in English  
0843 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—President Amata Kabua of the Republic of the Marshall Islands will pay a state visit to China from March 13 to 21 at the invitation of Chinese President Yang Shangkun, a Chinese Foreign Ministry spokesman announced here today.

#### **Official Defends Human Rights Policy at UN**

OW2702152491 Beijing XINHUA in English  
1513 GMT 27 Feb 91

[Text] Geneva, February 27 (XINHUA)—China reiterated here on Tuesday that foreign attacks on the Chinese judiciary for the trial of those involved in the Beijing turmoil of 1989 constituted "flagrant intervention" in China's internal affairs.

Speaking at the United Nations Commission on Human Rights, a Chinese delegate, Wang Xuexian, insisted that

China would not allow any foreign country or international organization to intervene in its own internal affairs while it did not interfere in others'.

"Should anyone ever try, the categorical response of the Chinese people is: absolutely no way," he said.

Mr. Wang told the commission that the turmoil in Beijing in late spring and early summer of 1989 had been provoked by "a very small number of people" in an attempt to overthrow with violence and terror the legitimate government and the socialist system.

He said the government quelled the unrest to protect lives and property of the people, defend the state's security and maintain social order and the respect for law.

Accusing some people were still "trying to make something out of it", Mr. Wang pointed out that the essence of those allegations was to encourage and shield those opposing the legitimate government and attempting to destroy the socialist system provided for in China's constitution.

"The punishment of criminals who have violated the law is nothing but the normal affairs falling squarely into the scope of Chinese judicial sovereignty," he said. "No foreign country, international organization or individual has any right whatsoever to interfere in it."

Mr. Wang said the Chinese people were making strenuous efforts to double the GNP again in the next ten years, "which is a grand and concrete project for the promotion of human rights of all the Chinese people and to which those big and idle talks about human rights are incomparable."

#### **Antinarcotics Efforts Draw Support at Meeting**

OW2702151791 Beijing XINHUA Domestic Service  
in Chinese 1735 GMT 26 Feb 91

[Text] Canberra, 26 Feb (XINHUA)—The 11th Asian Regional Conference of the International Criminal Police Organization [ICPO] scheduled for a week, opened here today.

The conference is being attended by 120 delegations from nearly 40 countries and regions in the Asian and Pacific Region. They will hold extensive discussions on strengthening cooperation among the region's criminal police organizations in seizing drugs, preventing terrorism, and cracking down on economic crimes and criminal gangs.

Chinese delegation head Zhu Entao, who is an adviser of the ICPO, spoke on the opening day of the conference. He said: In order to deal an effective blow to international criminal activities, it is essential to step up cooperation among criminal police organizations in the region. The Chinese police are willing to play an active role in promoting cooperation among criminal police organizations in Asia.

Zhu Entao discussed, in particular, the comprehensive measures undertaken by China to ban drugs. He said: In

order to exercise greater leadership over antinarcotic work, the Chinese Government decided to set up a national antidrug committee last November.

He said: The Chinese Government has adopted a series of antidrug measures for coordinating the efforts of various departments. Under the government's unified leadership, all sectors of society have been mobilized and organized to tackle problems related to drugs. The growing of narcotic crops and manufacturing of narcotics are under tight control, while drug trafficking and use are strictly prohibited. Comprehensive efforts have been made to crack down on, prevent, provide medical treatment to, and educate narcotic criminals.

He said: The Chinese Government has all along actively called and sought ways for international cooperation in antinarcotics work.

In conclusion, the Chinese delegation head said: In the international cooperation in antidrug work, China has always stood for and observed the principles of mutual respect of sovereignty and territorial integrity and noninterference in the internal affairs of countries concerned, and has advocated peaceful, friendly, and mutually beneficial cooperation.

Zhu Entao's speech drew a positive response from other delegations to the conference. Interpol Secretary General Kendall, Australian Superintendent MaCauley, and other delegates viewed China's antidrug measures as "effective and feasible."

### Gulf War Coverage

#### Yang Shangkun Congratulates Kuwaiti Amir

OW2802090391 Beijing XINHUA in English  
0855 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—Chinese President Yang Shangkun sent a message to Kuwaiti Amir Jabir al-Ahmad al-Sabah today, congratulating him on the restoration of Kuwait's independence, sovereignty and territorial integrity following the withdrawal of Iraqi troops.

The text of the message reads:

"On the occasion of the restoration of Kuwait's independence, sovereignty and territorial integrity and the Kuwaiti Government's return to Kuwait, may I, on behalf of the Chinese people and in my own name, extend warm greetings to Your Highness and the Kuwaiti people.

"May the Kuwaiti people achieve continuous success in healing the wounds of war and rebuilding their homeland.

"May the friendship and relations of friendly cooperation between China and Kuwait see continued consolidation and development."

#### XINHUA Correspondent Visits Kuwait City

OW2802054891 Beijing XINHUA in English  
0521 GMT 28 Feb 91

[Text] Kuwait City, February 27 (XINHUA)—Residents in Kuwait City poured into the streets and cheered when the Iraqis left the city following about seven months of occupation.

The Iraqi troops were forced to pull out after fierce fighting with the multinational forces Tuesday evening.

When this correspondent entered Kuwait with the convoys of multinational forces Wednesday morning, thousands of Kuwaitis lined the roads and waved to the soldiers.

A young man said, "The last seven months was the most shameful time in my life." He was sure that a better Kuwait would be built in the future.

Kuwait City was devastated during Iraq's occupation and the bombing of multinational forces. Debris was seen everywhere, and a group of young men were trying to take down the Iraqi flags from the buildings.

Almost all the hotels in the city had been robbed by the Iraqi troops. The Sheraton Hotel in the center of the city was burned down.

Along the beach, a house was still burning with heavy smoke flying into the sky.

Kuwait has returned into the hands of the Kuwaitis. The Kuwaitis are hoping that peace will last in their homeland.

### Soviet Union

#### Ivashko Briefs Jiang Zemin on Current Reform

OW2702182091 Beijing XINHUA Domestic Service  
in Chinese 1355 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—General Secretary of the Communist Party of China Jiang Zemin met Deputy General Secretary of the Communist Party of the Soviet Union (CPSU) V.A. Ivashko here this afternoon at Zhongnanhai.

According to a source from the International Liaison Department of the CPC's Central Committee, the meeting was held in a cordial atmosphere.

Ivashko conveyed Soviet leader Mikhail Gorbachev's regards and a letter to Jiang Zemin. The letter once again invites, and also welcomes, Jiang to visit the Soviet Union.

Jiang extended his gratitude for the invitation and expressed that he is happy about having an opportunity to meet Gorbachev again.

He said meetings between leaders are helpful for promoting mutual understanding and bilateral relations.

Jiang also asked Ivashko to convey his regards and the regards of Deng Xiaoping, President Yang Shangkun, Premier Li Peng and other Chinese leaders to Gorbachev and other Soviet leaders.

Jiang said that he is satisfied with the development of relations between the two countries and the two parties since their normalization of relations.

He emphasized that to further develop these relations accords with the interests of the two peoples. Jiang stated his belief that with joint efforts, these relations will develop to a new stage.

On China's domestic situation, Jiang said that China's experience in its revolution and construction is to combine the universal principles of Marxism-Leninism with China's concrete conditions. This truth has been amply verified by the achievements China has scored in the past several decades.

He said that China is deepening its reform, adding that China's idea of reform is to improve and develop the socialist system, and through which the superiority of socialism can be further brought into play.

China adheres, on one hand, to reform and opening to the outside world, and on the other hand, to the four cardinal principles concerning socialism and the CPC's leadership, Jiang stated. This is the one center, two basic points we have always talked about.

He stressed that without political stability, an economy cannot develop at its fullest potential, adding that economic development can in return promote political stability.

Jiang pointed out that the CPC attaches great importance to its relations with the Soviet Union and to the development of the two countries' ties. The Chinese people concern themselves with Soviet Union's situation to a very large degree. Out of its friendship with the Soviet people, China is willing to offer the Soviet Union some commodity loans.

He expressed his belief that with rich resources, advanced science and technology, and a strong industrial basis, the Soviet people can overcome their temporary difficulties.

Ivashko briefed Jiang on the Soviet Union's situation as well as the CPSU's situation. He said that the Soviet Union's reform, which began in 1985, is an objective demand. He stated that although the Soviet Union has achieved great results in its socialist construction, it has not run everything well.

He said the history of dozens of years of Soviet socialist construction has made the Soviet people adhere to socialism faithfully.

Ivashko expressed thanks to China for its commodity loans.

He said relations between the two countries and the two parties have developed steadily in every field in the past two years.

He added that the potentials for the further development of such relations are great.

### Defense Minister Yazov's Visit Called Off

*HK2802094491 Hong Kong AFP in English 0934 GMT 28 Feb 91*

[Text] Beijing, Feb 28 (AFP) - Moscow has called off Soviet Defence Minister Dmitriy Yazov's visit to Beijing next week, a Soviet embassy spokesman said Thursday.

The visit, scheduled to start March 4, could go ahead "maybe at another time," the spokesman said, giving no reason for the decision.

Marshal Yazov was to meet Chinese leaders for talks on the development of military cooperation between Beijing and Moscow, he said.

The spokesman said Vladimir Ivashko, the deputy secretary general of the Soviet Communist Party central committee, met Chinese Communist Party chief Jiang Zemin on Wednesday.

They discussed the possibility of China granting consumer credits to the Soviet Union, he said, but detailed talks on the subject would take place with other Soviet leaders at a later date.

Mr. Ivashko, who arrived here Tuesday to pave the way for Mr. Jiang's visit to Moscow in May, welcomed improved relations between the two communist parties.

But he said the Soviet Union was facing problems at home, where, although it had "achieved great results in its socialist construction, it has not run everything well."

The official XINHUA News Agency quoted Mr. Jiang as saying relations between the two parties would reach a "new stage" in development.

China, he said, wanted to combine the "universal principles of Marxism-Leninism with China's concrete conditions (to) improve and develop the socialist system."

Mr. Ivashko's visit marks a further improvement in bilateral ties that were normalised after a 30-year rift with the visit here of Soviet President Mikhail Gorbachev in May 1989.

Mr. Ivashko leaves Saturday after a private visit to Shanghai Thursday and Friday.

### CPC Assessment: USSR No Longer Superpower

*HK2802025191 Hong Kong HONGKONG STANDARD in English 28 Feb 91 p 1*

[By Cheung Po-ling]

[Text] The Soviet Union is no longer a superpower, but remains one of the two biggest military powers, alongside the United States, according to a recent internal assessment by the Chinese Communist Party on the new world order.



The assessment listed China itself, together with a unified Germany, the United States, Soviet Union and Japan, as the five leading powers that dominate the world's political development.

Due to the rapid disintegration of the Soviet Union and its waning influence over major issues in the world, China singled out the United States as the only unique "superpower".

The assessment has been circulated among high-ranking party members to serve as a guide to mapping out China's foreign policy.

In an assessment on economic capability, Japan, the United States and Germany were regarded as the world's three largest economic powers.

Observers said that, in particular, China wished to strengthen ties and co-operation with the Soviet Union, now that the once-mighty communist bloc in Eastern Europe had been disbanded.

The two communist giants have resumed frequent contacts lately, including a forthcoming visit to China by Soviet Defence Minister Dmitriy Yazov.

China had all along supported the Kremlin's efforts to hold the Soviet Union together and deny significant autonomy to the republics.

Unlike many European countries, China had never established official contacts with the Soviet republics, the Sino-Soviet relationship mainly developing at central government level.

Said an analyst: "China would do its best to assist and support its communist ally to advance along the socialist road because China would be ideologically isolated if the Soviet Communist Party lost its power."

Observers said that since the outbreak of the Gulf crisis, China had been enhancing diplomatic efforts at shoring up its position of leadership in the Third World.

### **Southeast Asia & Pacific**

#### **Ambassador Becomes 1st Envoy To Meet Thai Junta**

HK2802112691 Hong Kong AFP in English 1110 GMT 28 Feb 91

[Text] Bangkok, Feb 28 (AFP) - Chinese Ambassador Li Shichun on Thursday became the first foreign diplomat to hold talks directly with Thailand's military leadership since it seized power here last week, a military spokesman said.

The meeting with coup leader General Sunthorn Kongsompong was seen by diplomats here as de facto recognition of the newly-formed National Peace-Keeping Council (NPKC), the official name of the military government.

"It may not be a legal act but it is certainly a political act," one diplomat said.

The spokesman, Colonel Banchorn Chawansilpa, said Mr. Li's visit to Gen. Sunthorn at Thai military Supreme Command Headquarters here was to reaffirm close bilateral relations."

Col. Banchorn said at a press conference after the meeting that it was a signal that diplomatic relations with China, which has been a major arms supplier to Thailand, would improve further.

(Meanwhile in Beijing Thursday Chinese foreign ministry spokesman Duan Jin told a weekly press briefing: "We respect the choice of the Thai people."

("China has always attached importance to friendly relations and cooperation with Thailand and Sino-Thai relations have all along been good," Mr. Duan said, adding, "We hope and we believe that such relations will be maintained and developed."

(Mr. Duan repeated Beijing's stance that the coup was an internal affair of Thailand in which China should not interfere.)

The bloodless coup that toppled the civilian government of Prime Minister Chatichai Choonhavan on Saturday was received with mixed reactions by the international community.

While Washington deplored the coup and automatically ceased economic aid and development assistance, Tokyo suspended aid talks with Thailand on new yen loans.

#### **Wen Jiabao Receives Lao Party Delegation**

OW2702183191 Beijing XINHUA in English 1443 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Wen Jiabao, alternate member of the Secretariat of the Central Committee of the Chinese Communist Party (CPC), met here this afternoon with a party cadres delegation from Laos.

Led by May Souk Saysompheng, director of the general office of the Central Committee of the Lao People's Revolutionary Party and the Council of Ministers, the delegation is here as guests of the International Liaison Department of the CPC Central Committee.

#### **Canberra Embassy Lauds 'Positive Step'**

OW2802073191 Beijing XINHUA in English 0722 GMT 28 Feb 91

[Text] Canberra, February 28 (XINHUA)—The Chinese Embassy in Australia Wednesday expressed appreciation of Australia's decision to remove restrictions in its relations with China imposed by the Australian Government in 1989.

The Chinese Embassy said in a statement that above decision "is a positive step towards the restoration and improvement of Sino-Australian relations."

The Chinese Government, the statement said, attaches great importance to developing its friendly relations and cooperation with Australia. China and Australia are both situated in the Asia-Pacific region, have common interests in maintaining the stability and promoting the development of the region, and the economies of the two countries are mutually complementary to a considerable extent.

The statement noted, "The restoration and development of the ties between China and Australia not only represent the common aspirations of our two peoples, but also contribute to world peace and prosperity."

The statement expressed the conviction that "Sino-Australian relations will be smoothly developed, as long as both countries adhere to the five principles of peaceful co-existence, abide by the communique on the establishment of our diplomatic relations, and bear in mind the overall interests of the friendship between China and Australia."

#### **Khmer Rouge Still Receiving PRC Weapons**

*OW2602153791 Tokyo KYODO in English 1522 GMT 26 Feb 91*

[Text] Beijing, Feb. 26 KYODO—The Khmer Rouge guerrillas are continuing to receive Chinese-made weapons despite a pledge by Beijing that it had suspended arms shipments, Japan's Charge d'Affaires to Cambodia said here Tuesday.

Tadashi Ikeda said at a press conference that Xu Dunxin, China's assistant foreign minister, informed him Monday that the Cambodian resistance faction is continuing to obtain Chinese-made arms via the Thai Government.

China has said it suspended supplies of weapons to the Khmer Rouge, militarily the strongest among the tripartite resistance coalition, in September last year.

Ikeda, who is also minister at the Japanese Embassy in Bangkok, said he also met with Cambodian resistance leader Prince Norodom Sihanouk during his stay in Beijing.

The Japanese diplomat said he is visiting China in an effort to achieve a breakthrough in the 12-year conflict.

### **Near East & South Asia**

#### **Pakistan's Nawaz Sharif Continues Official Visit**

##### **Talks With Li Peng**

*BK2702084891 Islamabad Overseas Service in English 0800 GMT 27 Feb 91*

[Text] The prime minister, Mr. Nawaz Sharif, had formal talks with the Chinese prime minister, Mr. Li Peng, at the Great Hall of the People in Beijing this morning. They had an extensive exchange of views on bilateral matters as well as regional and international situation, including the Gulf. The Pakistan prime minister was assisted by ministers accompanying him, while the Chinese prime minister was assisted by some of his

cabinet colleagues. Earlier, the two prime ministers had a 70-minute meeting without their aides.

Later, talking to Pakistani newsmen accompanying Mr. Nawaz Sharif, the Chinese prime minister said that Pakistan and China will work very closely in all fields, including political, economic, and diplomatic to further strengthen their relations. He said that he had extensive talks with the Pakistan prime minister on bilateral relations. He welcomed Mr. Nawaz Sharif's first visit to China and was confident that this visit would prove very useful and play an important role in further promoting bilateral relations.

In reply to a question, Mr. Li peng said they had a detailed exchange of view on the Gulf situation and had identical stand on the settlement of the issue. The Chinese prime minister appreciated the efforts of the Pakistan prime minister for the settlement of the Gulf crisis. Mr. Li Peng said Pakistan and China enjoy excellent relations and brother ties between them will flourish in the years ahead.

This morning, the prime minister, Mr. Nawaz Sharif, laid a floral wreath at the monument of People's Heroes.

#### **Efforts To End War Discussed**

*OW2702155191 Beijing XINHUA in English 1343 GMT 27 Feb 91*

[Text] Beijing, February 27 (XINHUA)—Chinese Premier Li Peng said here today that China hopes the legitimate Kuwaiti Government will resume its sovereignty over its country at an early date now that the Iraqi troops have, or will, totally move out of Kuwait.

Li said this during his talks with visiting Pakistani Prime Minister Mohammad Nawaz Sharif.

Li stressed that Iraq should withdraw its troops from Kuwait unconditionally.

He said that China has always stood for a political solution to the Gulf conflict through political and diplomatic channels, adding that China supports the efforts to seek practical and political formulas within the framework of the relevant United Nations resolutions so as to end the Gulf war as soon as possible and avoid greater casualties.

He said China supports all efforts to seek a peaceful solution to the Gulf crisis.

Li expressed his appreciation of Sharif's active endeavors to bring an early end to the war, saying that China will, along with the international community including Pakistan, continue its efforts for an early solution of the Gulf crisis.

Sharif said that Pakistan opposes any use of force between countries, adding that Pakistan can in no way accept Iraq's invasion and annexation of Kuwait. Therefore, he added, Pakistan backs up all the U.N. resolutions condemning Iraq's invasion and annexation of Kuwait.



At the same time, Sharif said, Pakistan regrets the damage and bloodshed the Iraqi people have suffered as a result of the war.

On the post-war arrangements for the Gulf, Sharif said Pakistan holds that Iraq's boundaries should be respected, that all foreign troops should withdraw from the Gulf region, and that the security in this region should be guaranteed by the Gulf and Islamic countries.

In addition to the Gulf problems, the two prime ministers exchanged views on other international issues during the three-hour talks.

Li analyzed the general international situation, saying that the world pattern is experiencing a transition from the old to the new.

He said that the relaxation of relations between the Soviet Union and the United States does not mean peace of the world, adding that many regions are not stable and new conflicts are constantly arising.

Li said that there is a lot being said about the establishment of a new international political and economic order. China believes that the new order should be established on the basis of the five principles of peaceful coexistence, equality between countries, big or small, non-interference in each other's internal affairs, and common development.

At the end of the talks, Li told the press that he found that both China and Pakistan share many identical or similar views in regards to the solution to the Gulf crisis.

#### Cease-Fire Announcement Welcomed

BK2802120691 Islamabad Domestic Service in English  
1100 GMT 28 Feb 91

[Text] Pakistan has welcomed the announcement of a cease-fire in the Gulf war and described it as a positive decision. This was stated by the adviser on information and broadcasting, Sheikh Bashir Ahmad, at a news conference in Beijing today where he was accompanying the prime minister on his tour to China.

In a statement on the announcement, Prime Minister Nawaz Sharif said Pakistan and China firmly and unequivocally upheld nonuse of force in settling disputes between states. About the postconflict scenario, Pakistan and China agreed that the security of the region should be the responsibility of the regional (?countries) and that foreign forces should not be stationed in the region on a long-term basis.

About his talks with the Chinese leaders, Mr. Nawaz Sharif said he was completely satisfied with them and expressed the confidence that his visit would reinforce our existing close ties with China, being a steadfast and reliable friend.

#### 'Cordial Meeting' With Jiang Zemin

OW2702130991 Beijing Domestic Service in Mandarin  
1030 GMT 27 Feb 91

[From the "National Hookup" program]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, had a cordial meeting with Pakistani Prime Minister Sharif and his party in Zhongnanhai this afternoon.

Jiang Zemin pleasantly recalled his visit to Pakistan 15 years ago. He said: This is Your Excellency's second visit to China. A common Chinese saying goes: A stranger the first time, an old friend the second time; so you are an old friend of China now.

Sharif said: China is a very close friend of Pakistan. We treasure our relations with China. Pakistan and China enjoy a traditionally friendly relationship. Our two countries will have established diplomatic relations for 40 years this May. My current visit seeks to strengthen our traditional friendship.

He added: Under the current international situation, Pakistan attaches great importance to strengthening the friendly relations and cooperation between our two countries.

Jiang Zemin pointed out: The recent world situation indicated that the cold war seemed to have ended. In fact, however, the world is not peaceful at all. The Gulf war is one proof.

Jiang Zemin said: We always oppose aggressive war. This is why we always have opposed Iraq's invasion and occupation of Kuwait, while hoping that the Gulf issue can be settled peacefully.

Jiang Zemin said: China and Pakistan enjoy traditionally friendly relations. The friendship and contacts between us have a long history. I am happy with the development of China's relations with Pakistan and with other peripheral states.

#### Meets Yang Shangkun

OW2702144191 Beijing XINHUA in English  
1428 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Chinese President Yang Shangkun and visiting Pakistani Prime Minister M. Nawaz Sharif today expressed hope for further enhancing bilateral friendly relations.

According to a Chinese Foreign Ministry source, in a meeting here this evening, Yang extended a warm welcome to Sharif and said that China and Pakistan are cherishing a very good relationship and have always supported and closely cooperated with each other.

"We hope we can continue to maintain these friendly ties. I believe your current visit here will serve to further promote bilateral ties," Yang said.

Yang noted that the Chinese Government regards the five principles of peaceful co-existence and peaceful

solutions to international conflicts as guidelines for handling state-to-state relations.

It is under such principles, Yang continued, that the Chinese Government has always opposed to [as received] the Iraqi invasion of Kuwait since the start of the Gulf crisis and supported all efforts for a peaceful solution to this issue.

Yang said, "Likewise, we hope the differences between South Asian countries will be solved through patient and friendly dialogues."

Sharif described his China tour as "coming back home" and said the friendly relations and cooperation between Pakistan and China represent a model for state-to-state ties.

He went on to say that during his current visit, he had conducted friendly and fruitful talks with top Chinese leaders. He expressed his hope that bilateral friendship will be further enhanced and cooperation expanded in various fields.

Sharif, on behalf of Pakistani President G. Ishaq Khan, once again extended an invitation to Yang to visit Pakistan, and said that the Pakistani Government and people are sincerely looking forward to Yang's visit.

Yang said he was pleased to receive the invitation and asked Sharif to convey his greetings to G. Ishaq Khan.

After the meeting, Yang hosted a dinner for Sharif and his party.

In the afternoon, the Chinese and Pakistani sides conducted group talks on foreign affairs and economic and trade issues.

## West Europe

### Italian Socialists Praise Deepening Reform

OW2802061291 Beijing XINHUA Domestic Service in Chinese 0823 GMT 27 Feb 91

[By reporter Huang Changrui (7806 2490 3843)]

[Text] Rome, 26 Feb (XINHUA)—Three European parliamentarians from the Italian Socialist Party who have just returned home from a visit to China said at press conference held in the headquarters of the Foreign Journalists Association today: In China, "the reform has not stopped," and "great changes" are taking place there.

The three parliamentarians are Mrs. Maria Maniani Noa, Enzo Betiza and Louiji Weltemati [names as received]. Noa said that China has an intense desire for peace, and is greatly interested in developing relations with Europe. She pointed out: While actively developing its relations with foreign countries, China is striving to improve its people's living standards. The reform in China is being deepened, the situation is stable there, and commodities are abundant in Chinese stores. The changes are tremendous compared with 10 years ago.

Betiza, who has visited China four times, said that both Europe and Italy need to formulate their China policy.

He added: "In trade with China, Italy ranked second among European countries several years ago, next only to Germany. Today, Germany remains in first place, but Italy has dropped behind France and Britain to fourth place. I hope that Italy will get back to second place."

### More on Travels of Foreign Minister Qian Qichen

#### Existence of Political Prisoners Denied

LD2602151191 Madrid Domestic Service in Spanish 1300 GMT 26 Feb 91

[Report by correspondent Alfonso Sanchez]

[Excerpt] This morning, Qian Qichen had talks with his Spanish counterpart, Fernandez Ordonez. He was received in audience by King Juan Carlos, and he began a meeting with Felipe Gonzalez at 1330. During his visit to Spain, which ends tomorrow, the Chinese foreign minister will attempt to finalize a series of economic and trade plans discussed during Fernandez Ordonez's trip to China last November. Qian Qichen is in Spain as a part of his tour of Europe, through which he is attempting to normalize relations with the EC following the Tiananmen events.

Asked about the date for the release of political prisoners in his country, Qian Qichen denied that there are political prisoners. [passage omitted]

#### Tiananmen Events 'Ended'

LD2602205891 Madrid in Spanish to Europe 2030 GMT 26 Feb 91

[Text] In Madrid today, Chinese Foreign Minister Qian Qichen said that the events in Tiananmen Square have ended and that all citizens can freely express their views. The Chinese foreign minister, who is on an official visit to Madrid, has conveyed to King Juan Carlos, the Prince of Asturias [Prince Felipe], and the prime minister an invitation to visit his country with the aim of forging closer bilateral relations. Prime Minister Felipe Gonzalez expressed his interest in new projects in China for which Spanish companies can bid and which could boost trade links. Diplomatic sources have said that Spain is studying the possibility of opening another line of credit to accompany that signed last January, which entails granting to China 43 billion pesetas until next year.

#### Qian Views Current Relations

OW2702140391 Beijing XINHUA Domestic Service in Chinese 0943 GMT 27 Feb 91

[Text] Madrid, 26 Feb (XINHUA)—Chinese Foreign Minister Qian Qichen made an important speech on the current international situation and China's relations with Western Europe at the Center of Studies of Foreign Policy of Spain here this evening.

The Chinese foreign minister said: Over the past year and more, the international situation has gone through eye-catching, drastic changes. The old global structure has been broken up, while a new one has not yet taken shape. The world is entering a turbulent period of transition between the new and old structures. The famous East-West detente did not bring about a relaxation of South-North relations. The economic gap between the developed and developing countries has widened with each passing day. The U.S.-Soviet detente has brought to light some long hidden political, economic, and ethnic contradictions, while conspicuous tensions have emerged in some regions. The Gulf crisis, which has subsequently developed into the Gulf war, is an example.

Discussing the new international order, Qian Qichen said: "The establishment of a new international order should include political and economic aspects, and its guiding principles should be the five principles of peaceful coexistence; namely, mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality, and mutual benefit. These five principles also coincide with the goal and principles of the UN Charter. The past and present facts show that so long as the aforesaid five principles are strictly observed, relations between two countries will grow smoothly, regardless of the differences in their social systems and ideologies, and of twists and turns in the course of developing bilateral relations; and violation of these principles can prompt frictions and conflicts between states and cause turmoil and confusion." "As a member of the international community, China is ready to work unremittingly with all other countries for the establishment of a just and reasonable international political and economic order."

Turning to the Gulf war, the Chinese foreign minister said: "The world's public opinion is closely watching the development of the Gulf situation. Since the outbreak of the Gulf crisis, the Chinese Government has taken a responsible and principled stance. We have explicitly expressed our opposition to the Iraqi invasion and annexation of Kuwait, and have called on Iraq to withdraw its troops from Kuwait immediately and unconditionally so that the independence, sovereignty, territorial integrity, and lawful government of Kuwait can be restored. At the same time, we have stood for a peaceful settlement of the Gulf crisis within the framework of the relevant UN resolutions. To this end, we have exerted our utmost efforts." The Chinese foreign minister expressed deep regret that the possibility of a peaceful settlement of the crisis, which had emerged at one time, did not become reality."

On China's relations with Western Europe, Qian Qichen stressed: "China is willing to develop friendly relations and cooperation with Western Europe on a long-term, stable basis. We believe that there is no conflict of fundamental interests between China and Western Europe, and both sides occupy an important position in international affairs. The proper handling of Sino-West

European relations not only is in the fundamental interests of China and West European countries, but also helps to bring about a new international order and secure world peace and stability. Obviously realization of this objective depends on the unrelenting efforts of both sides and their mutual adherence to some fundamental principles." He expressed the belief that these fundamental principles should include seeking common grounds while putting aside differences, mutual respect, noninterference in each other's internal affairs, and equality and mutual benefit. In conclusion, the Chinese foreign minister said: In the past 18 years since the establishment of diplomatic relations, China and Spain have forged a rather stable relationship of amity and cooperation. China applauds Spain's active role in promoting the political and economic integration of Western Europe, facilitating the relaxation of situation and stability in Europe, and pushing peaceful settlement of regional conflicts and other international disputes. China appreciates the Spanish Government's wise and realistic attitude in its relations with China. The Chinese foreign minister expressed the belief that the prospect for the development of friendly and cooperative relations between China and Spain looks broad.

#### Talks With Counterpart

OW2702225091 Beijing XINHUA Domestic Service  
in Chinese 1248 GMT 27 Feb 91

[By reporters Liu Lianxiang (0491 6647 4382) and Xiao Zishu (5135 2737 2885)]

[Text] Madrid, 26 Feb (XINHUA)—China and Spain have established channels for frank and friendly direct dialogues. This is the unanimous assessment of the relations between the two countries made by Chinese Foreign Minister Qian Qichen and his counterpart Fernandez Ordonez during their formal talks here today.

Qian Qichen held formal talks with Spanish Foreign Minister Fernandez Ordonez at the Spanish Foreign Ministry today. Prior to this, the two foreign ministers held talks alone for more than half an hour.

Fernandez Ordonez said that Foreign Minister Qian's visit will further broaden existing friendly relations between the two countries.

Qian Qichen said that Sino-Spanish relations have made new strides in the past few years. Bilateral economic cooperation, scientific and technological exchanges, and exchange of information and mutual consultations by the foreign ministries of the two have proceeded smoothly. Mutual visits by high-ranking leaders of the two countries will continue.

Qian Qichen and Fernandez Ordonez signed an agreement on exemption of diplomatic visas on behalf of their respective governments after their talks. According to the agreement, citizens of the signatory parties holding a diplomatic passport will be exempted from entry and exit visas for two



years during their terms of office in diplomatic missions, consulates, and international organizations in each other's country.

Among the West European countries, Spain is the first country to sign this type of agreement with China.

### **Calls for Rapid End to War**

*LD2702144491 Madrid Domestic Service in Spanish  
1300 GMT 27 Feb 91*

[Text] This morning Foreign Minister Fernandez-Ordonez accompanied his Chinese counterpart who has ended his official visit to Spain. Alfonso Sanchez reports on the official results of this visit:

[Sanchez] Chinese Foreign Minister Qian Qichen said that he favors a withdrawal of international troops from the Gulf region once the war has ended. He also called for a security conference for this region, which ought to include a solution to the Palestinian problem.

[Begin Qian Qichen recording in Mandarin with superimposed Spanish translation] We believe that the postwar (?disposition) of the Gulf region ought to be made by the countries of this region, and that the foreign troops have to withdraw from this region. [end recording]

[Sanchez] Qian Qichen also called for a rapid end to the war. The Chinese foreign minister, who will leave Spain this afternoon following a three-day official visit, said that he is satisfied with the climate of friendship he found in our country and the agreement of King Juan Carlos, Felipe Gonzalez, and Congress president Felix Pons to visit China soon. The bilateral agreements signed were restricted to the abolition of diplomatic visas and the convocation of two mixed cooperation commissions.

Qian Qichen, who avoided many questions on respect for human rights in China, expressed his thanks for the grant of \$450 million for export credits under an agreement signed last January.

### **Departs Spain for Poland**

*OW2702181691 Beijing XINHUA in English  
1711 GMT 27 Feb 91*

[Text] Madrid, February 27 (XINHUA)—Chinese Foreign Minister Qian Qichen is leaving here today for the Polish capital city of Warsaw after ending his visit to Spain.

Poland is the third country that Qian visits during his trip to Europe. Earlier, Qian had paid a visit to Portugal.

Seeing Qian off at the airport, Spanish Foreign Minister Fernandez Ordonez said Qian's visit to Spain is extremely successful and he was satisfied with this.

Qian said he hoped his Spanish counterpart would visit China again when it is convenient.

## **East Europe**

### **Qian Qichen Arrives in Warsaw After Stopover**

*OW2802022291 Beijing XINHUA in English  
0156 GMT 28 Feb 91*

[Text] Warsaw, February 27 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here today from Spain to start his three-day official visit to Poland.

Polish Foreign Minister Krzysztof Skubiszewski met Qian at the airport.

Qian told the Polish television station at the airport that he had held sound talks with his Polish counterpart Skubiszewski twice in New York where Skubiszewski invited him to visit Poland. He was happy his wish has come true today, Qian said.

His visit aims to get first hand information about the new situation and problems right after the drastic changes in Poland, Qian said.

He will discuss ways of developing bilateral relations under the new situation in his talks with Polish leaders.

In a written statement at the airport, the Chinese foreign minister said China and Poland share traditional friendship and cooperation. He hopes his visit will promote the understanding, friendship and cooperation between the two countries, he added.

On his way to Poland from Spain, Qian made a brief stopover in Prague airport. Czechoslovak Vice Foreign Minister Martin Palous and advisor to the president Sasa Vondra met and exchanged views with Qian at the airport. They expressed the common desire to develop the bilateral relations between China and Czechoslovakia.

### **Comments on E. European Ties**

*OW2802030791 Beijing XINHUA in English  
0249 GMT 28 Feb 91*

[Text] Madrid, February 27 (XINHUA)—China respects whatever system the East European countries have chosen for their nations, Chinese Foreign Minister Qian Qicheng said here today.

Qian, who is on his second leg of his European tour, told a press conference that China regards whatever political system the East European countries have chosen as their own internal affairs, in which China will not interfere.

China holds that the country-to-country relations should be based on mutual respect, non-interference in each other's internal affairs, Qian said, adding that I hope China can develop its relations with the East European countries in line with this guiding principle. [sentence as received]

Qian called the approach as "practical" and "based on reality."

Asked about his visit to Madrid, Qian said that during his stay in Spain, he had friendly and frank talks with Spanish leaders on bilateral Sino-Spanish relations and issues of common concern.

Both sides believed that China and Spain have great potential for economic, scientific and trade cooperation, and some specific cooperative projects are under discussion.

#### **Hungarian Minister Welcomes Qian Qichen Visit**

*OW2802050191 Beijing XINHUA in English  
0219 GMT 28 Feb 91*

[Text] Budapest, February 27 (XINHUA)—Hungarian Finance Minister Mihaly Kupa said that the coming visit by Chinese Foreign Minister Qian Qichen will promote the development of relations between the two countries.

The finance minister told XINHUA on Tuesday that Hungary will upgrade its economic relations with as many countries as possible. To develop ties with China and other Asian nations is very important, he said.

He said the Hungarian-Chinese traditional relations would not only be maintained but also be developed to a new level.

Referring to domestic economy, Kupa said the Hungarian Government will first guarantee the balance of its national economy in the next four years, timely repayment of some 21 billion U.S. dollars of foreign debt and reduction of the present 30 percent of annual rate of inflation.

He added that the country has planned to turn the Hungarian currency forint into a converted one within the next two years, adjust relations between central and local governments and set up a new mechanism to improve the economy.

**Political & Social****'Democracy Wall' Activist Moved to Hebei Prison**

HK2802002891 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Feb 91 p 1

[By Willy Wo-lap Lam]

[Text] China's most famous jailed dissident, Wei Jingsheng, has gone on a hunger strike in protest over his treatment.

Wei, a "Democracy Wall" activist who was sentenced to 15 years' jail in 1979 reportedly on the orders of patriarch Mr Deng Xiaoping, has in recent months been transferred to a prison in a rural county in Hebei province to work in the salt fields, sources said.

According to the New York-based human rights watchdog, Asia Watch, his hunger strike began earlier this month.

"Ordinary police and prison guards have no authority over him," a source said. "The political prisoner is being watched over by a team of special security officers.

"Wei's conditions are being reported directly to Deng Xiaoping's office."

The source said Wei could only be persuaded to take drinks provided by his family. And even though his relatives have put extra nutrients into the liquid, his health is deteriorating.

Before his transfer to Hebei, Wei had spent a few years in solitary confinement in a prison in remote Qinghai province, where ill treatment meant that he lost most of his teeth and reportedly developed schizophrenia.

"Wei is unlikely to have access to latest information about the sentencing this month of the 'black hands' behind the 1989 protests," a political analyst said.

"He is most likely protesting against this ill treatment, and the fact that his sentence, the bulk of which has been served, has not been commuted."

Wei, now 41, was an electrician-turned-theorist who rose to prominence with his call for the "Fifth Modernization", or democracy during the 1979 Democracy Wall movement.

Some Western analysts think the seeds of the 1989 democracy movement were sown a year earlier, when intellectuals led by astrophysicist Dr Fang Lizhi petitioned Mr Deng for Wei's release.

Wei is among a number of dissidents whose immediate release has recently been demanded by the American Federation of Labour and Congress of Industrial Organizations.

It has joined an estimated 50 congressmen in asking Washington to withdraw the Most Favoured Nation (MFN) trading status from Beijing unless it improves its human rights record.

The executive council of America's umbrella trade-union organization, also asked Beijing to immediately release labour activists arrested in connection with the 1989 protests.

**NPC Standing Committee Continues Deliberations****Protection of Relics Advocated**

OW2702184191 Beijing XINHUA in English  
1503 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—Some senior Chinese legislators today expressed their deep worries over the rampant increase in crimes involving relics.

Heavier penalties should be imposed on crimes involved in the theft and smuggling of cultural and historical relics, many participants of the on-going 18th Meeting of the Standing Committee of the National People's Congress (NPC) agreed when discussing a draft amendment to the Cultural Relics Protection Law.

It was revealed that during the period from 1983 to 1990, the mainland of China discovered 423 cases concerning the theft of over 5,000 museum pieces. Moreover, more than 10,000 ancient tombs were illegally excavated in each of seven provinces, it was learned.

Meanwhile, statistics from the Guangdong Province reveal that the province uncovered about 1,300 cases involving the smuggling of over 20,000 relics pieces during the 1983-1986 period.

The illegal excavation of ancient tombs and theft and smuggling of relics have not only corrupted social values, damaged cultural heritages, but also seriously damaged national dignity, said Hu Keshi, an NPC Standing Committee member.

The state should launch a campaign to spread the education of "protecting cultural relics and loving our motherland" so as to promote the citizens' concepts of cherishing relics, member Zhang Chen suggested.

Chen Muhua, vice-chairwoman of the NPC Standing Committee, proposed that relics management be improved at national and provincial levels, and that the government invest more money to set up new and better museums.

**Ye Fei Presides 28 Feb**

OW2802095091 Beijing XINHUA in English  
0920 GMT 28 Feb 91

[Text] Beijing, February 28 (XINHUA)—The Standing Committee of the Seventh National People's Congress of China (NPC) met in full session this morning to hear reports concerning a draft decision to popularize the knowledge of law and a number of other affairs.

Premier Li Peng suggested in a motion that the committee deliberate a State Council draft decision to further popularize the knowledge of law throughout the country.



The motion was drafted on the basis of a similar decision adopted by the 13th Session of the 6th NPC Standing Committee in 1985. The earlier decision ordered the institution of a five-year campaign to spread basic knowledge of law in China.

While urging the adoption of the new draft decision, the premier said that the goals of the 1985 decision have basically been fulfilled with obvious progress.

In a report to the meeting, Cai Cheng, the minister of justice, said that as a result of the 1985 decision over 700 million people had gained more legal knowledge during the past five years.

The legislators also heard reports on the results of the deliberation of motions presented by the Presidium of the third annual session of the NPC, in addition to other reports.

Today's session was presided over by Ye Fei, vice-chairman of the NPC Standing Committee, and attended by Wan Li, the NPC Standing Committee chairman, and a number of committee vice-chairmen.

#### **Li Peng Proposes Legal Education Measures**

*OW2802095891 Beijing XINHUA in English  
0904 GMT 28 Feb 91*

[Text] Beijing, February 28 (XINHUA)—Premier Li Peng has proposed concrete measures for promoting knowledge of the law among the general public.

In a motion to the ongoing 18th Session of the Standing Committee of the Seventh National People's Congress, the premier said that his draft is designed for officials at all levels, law-enforcement cadres, educators and students.

The draft says the five-year campaign will concentrate on education in the nation's Constitution. It also includes spreading basic knowledge of laws concerning administrative procedure, mandatory education, demonstrations, and civil and criminal affairs.

The draft follows the completion of the implementation of a similar decision adopted by Chinese legislators in 1985, which ordered a similar campaign for the years 1986-1990.

Explaining the draft to the legislators at today's meeting, Minister of Justice Cai Cheng said 700 million people had undergone education in basic legal knowledge by 1990.

The education, which was given by legal experts, professors, scholars, and justice personnel, was conducted in a variety of ways including seminars, night schools and training courses as well as films, TV and literature.

As a result of efforts over the past five years, Cai said, workers, farmers, intellectuals, cadres, soldiers, students and other citizens have, to different extents, come to understand the Constitution and basic laws concerning marriage, economic contracts, the rights of ethnic minorities and other affairs.

The minister said that more than 1,300 county and district administrative authorities have invited lawyers to act as legal advisors, and laws are now the basis for procedures in taxation, water control, forest protection, road and land management, posts and telecommunications, and banking.

#### **Better Land Use Transfer System Needed**

*OW2802115491 Beijing XINHUA in English  
1137 GMT 28 Feb 91*

[Text] Beijing, February 28 (XINHUA)—China should draft additional laws and regulations to improve the land use right transfer system which is currently being carried out on a trial basis in 20 of the country's coastal cities.

Senior legislator Yang Bo, a member of the Standing Committee of the National People's Congress (NPC), said here today that China has achieved initial success in recent years regarding experiments in the transfer of state-owned land use rights to foreign investors, though some difficulties have been encountered in this area.

Yang, who is also vice-chairman of the NPC Financial and Economic Committee, made his suggestions today during the on-going 18th Session of the NPC Standing Committee. Yang's comments were included in his report on a recent examination of land transfer activities in six coastal provinces, conducted by a group of NPC Standing Committee members.

Since 1988, China's coastal cities and towns have spearheaded land policy reform, and the transfer of land use rights to foreign investors has been a major part of the effort.

Thus far, pilot cities have transferred the land use rights of more than 1,000 hectares of land, of which 660 hectares were transferred to foreign-funded enterprises. Income from the transfers has surpassed 900 million yuan and of that figure nearly 600 million yuan has come from foreign-funded enterprises.

Last May the State Council issued a set of provisional regulations related to leasing land to foreign investors. Prior to that the Hainan provincial government had released its own local regulations aimed at protecting the interests of both the state and the buyers.

The Shenzhen Special Economic Zone also has published 38 similar rules and regulations, while the Zhuhai Special Economic Zone has enacted 32.

#### **Second Five-Year Plan for Legal Education**

*OW2402180191 Beijing XINHUA Domestic Service  
in Chinese 0439 GMT 24 Feb 91*

["Second Five-Year Plan of the Propaganda Department of the CPC Central Committee and the Ministry of Justice for Propagation and Education of Law Among Citizens"]

[Text] Beijing, 24 Feb (XINHUA)—Under the leadership and supervision of the CPC Central Committee, the National People's Congress [NPC], the State Council,

and party committees, people's congresses, and governments at all levels, the first five-year plan for nationwide dissemination of law knowledge has been successfully accomplished since its implementation in 1986, thanks to efforts exerted by all quarters. The remarkable successes achieved have laid a sound foundation for the development of China's socialist legal system. To consolidate and develop the results of the first five-year plan and keep pace with the needs arising from socialist economic construction and the development of the socialist system, a second five-year plan for educating the entire public about the legal system is essential.

### I. Guidelines and Requirements

The guidelines for the second five-year plan are: We should work in strict accordance with the central tasks set by the party and state, and under the leadership and supervision of party committees, people's congresses, and governments at all levels, thoroughly study the Constitution. With specific objectives in mind, departments at various levels should systematically study the basics of the state's fundamental and specialized laws in a planned manner in order to further increase the sense of socialist laws and democracy among cadres and the masses, make sure that all types of work are managed according to law, create a good legal environment for economic readjustment and reform, and ensure steady political, economic, and social development throughout the country.

The specific requirements are:

1. We should thoroughly popularize the basics of the Constitution and relevant laws. We should heighten the citizens' sense of the Constitution and their awareness of safeguarding the solemnity and implementation of the Constitution so as to firmly uphold the Four Cardinal Principles; repudiate bourgeois liberalization; and effect steady political, economic, and social development throughout the country.
2. County, regimental, and higher-ranking cadres, in addition to studying those laws relevant to their work, must also study theories of the socialist legal system and constitutional sciences so as to establish the concept of administering state and other affairs according to law and to improve their ability to make decisions and supervise according to law.
3. Cadres in all trades and professions must be familiar with the laws they are responsible for enforcing and which are related to their work. They must do their jobs according to these laws.
4. The vast public must understand the basics of laws relevant to their work, production, and life until they understand how to exercise their citizens' rights and fulfill their obligations as citizens.

5. Colleges, middle schools, and primary schools should continue to improve their law curricula, make efforts to systematize the study of law, and intensify their students' concept of law.

6. We should persist in integrating theories with realities and integrating the study of law with its application; continue to experiment with using laws to manage selected townships, counties, cities, provinces, autonomous regions, and municipalities directly under the central government; and cultivate a large number of people who have distinguished themselves in managing all types of work according to law.

### II. Targets

The targets for the five-year educational plan are workers, peasants (including herdsmen and fishermen), intellectuals, cadres, students, servicemen, and independent workers, as well as all other citizens capable of study. Major targets are county, regimental, and higher-level leading cadres, especially senior cadres in party, government, and military departments; law enforcement personnel, including judicial and administrative personnel; and young people, especially students in colleges and middle schools.

### III. Principal Contents

1. All citizens should continue to study the Constitution. They should earnestly study the Law of Administrative Litigation; the Compulsory Education Law; the Law Governing Assembly, Parades, and Demonstrations; and the Law Governing the National Flag, as well as all newly promulgated laws and regulations that national authorities in charge of law dissemination have ordered studied. Meanwhile, certain parts of the "ten laws and the one set of regulations" we studied during the first five-year period should be restudied selectively.

2. In accordance with actual needs, all areas should decide on what other laws and regulations should be studied in their areas. They should pay attention to studying the Land Management Law, the Forestry Law, the Water Law, the Law Governing Mineral Resources, the Law Governing the Protection of Military Facilities, the Environment Protection Law, the Law Governing the Preservation of Historical Relics, the Law Governing Food Sanitation, as well as relevant laws and regulations governing planned parenthood.

3. In accordance with their needs, all departments and systems should selectively study law knowledge relevant to their work and production.

Central and local state organs also should study the relevant organic law and election law; party and government organs at all levels should study laws and regulations relevant to administrative ethics; party and government organs at all levels, enterprises, institutions, and departments in charge of science and technology affairs also should study the law on protecting classified state

information; and all enterprises and establishments and independent workers should study the state's taxation laws and regulations.

#### IV. Steps

The implementation of the second five-year plan, from 1991 to 1995, will proceed in the following three stages<sup>2</sup>:

1. Preparations: Starting now, special attention should be paid to the work in these five areas: 1) Drawing up specific plans for disseminating law knowledge in various regions, departments, and systems according to their actual needs. For the record, all regional plans should be reported to the next highest level of authority in charge of law dissemination. Ministries, commissions, and bureaus of the State Council should draw up all plans for law dissemination and report these plans to the national authorities in charge of law dissemination for the record. 2) Mobilizing all citizens, cadres, and law enforcement personnel at all levels are to take active part in studying law. 3) Writing and compiling materials for disseminating law. 4) Carrying out pilot projects in selected units. 5) Training mainstay teaching personnel.

2. Implementation: After the preparations stage, all regions, departments, and systems, in light of the requirements of their plans, must implement their plans in groups and by stages in a planned and systematic manner. Measures for implementation should take actual situations into consideration and should not insist on arbitrary uniformity.

3. Evaluation: All regions and departments should evaluate their progress in disseminating the law. National evaluation will be conducted during the latter half of 1995.

The criteria for evaluating cadres' performance are: 1) They must be fairly familiar with the laws they are mandated to study and their performance must be acceptable in the evaluation. 2) They must be able to apply the knowledge of specialized laws they have learned in managing work in their own fields. 3) They must be familiar with the basic theory of the Marxist science of law.

The criteria for the masses are: 1) They must understand the basics of laws they are mandated to study and the level of their understanding must measure up during evaluation. 2) They must know how to exercise their rights as citizens and to fulfill their civic obligations.

The criteria for units are: 1) The performance of at least 80 percent of the number of their staff participating in the study of law knowledge must be proven to be acceptable during the evaluation. 2) All types of business in the unit must be basically managed by law.

All regions and departments may draw up even more specific evaluation standards and methods in accordance with these regulations and their actual situations.

#### V. Methods

1. The principal method of education should be face-to-face teaching. All regions, departments, and systems should provide all forms of assistance needed in teaching law in accordance with their actual situations.

Party and government organs, social groups, enterprises, and institutions may sponsor regular teaching or on-the-job study. They also may organize short-term classes during certain periods for full-time or part-time study.

In rural areas, local authorities may teach local cadres and people about the law in spare-time law study classes or evening classes. During the course of disseminating law knowledge, they also may organize local people to study laws during slack farming seasons. They also may assign cadres to teach people of a certain region, assign party members to teach a few households, and assign law disseminators to deliver teaching materials to various households.

All party schools, Communist Youth League schools, and cadre schools must incorporate law lessons into their curricula of compulsory subjects.

2. All media should bring their roles into play. Television and radio stations, newspapers and journals should disseminate law knowledge in a planned manner and make continual efforts to improve themselves as bastions of law dissemination. All forms of popular literature and art programs should be broadly used to disseminate law knowledge. Cultural halls, youth palaces, clubs, and township cultural centers should be used so that knowledge of the law can be disseminated through all forms of entertainment programs. Display windows, blackboard posters, galleries, pictures, contests, and speeches should be used, and specific days (weeks, 10-day periods, and months) should be designated for the same purpose.

#### VI. Organizational Leadership

Under the centralized leadership and supervision of party committees, people's congresses, and governments at all levels, propaganda departments of party committees and judicial departments should be in charge of the dissemination of law knowledge. To give full scope to the initiatives of departments in charge of law dissemination and businesses of all sectors, the management should be centralized, plans should be carried out separately, efforts of regions and departments should be combined with emphasis given to departments, and guidance should be given according to the natures of different activities.

The national organ in charge of law dissemination is responsible for drawing up the national plan, organizing its implementation, and coordinating and guiding all regions, departments, and systems in implementing their plans. It should discover and cultivate typical examples, sum up their experiences, and promote the implementation of the general plan. It also should check on how various regions and departments implement their plans, and take charge of the evaluation of law dissemination in



all provinces, autonomous regions, and municipalities directly under the central government.

Departments under central and state organs are responsible for drawing up plans for the study of specialized laws and regulations among cadres and masses under their systems. They also should organize the implementation of these plans under the coordination and guidance of the national organ in charge of law dissemination. They should write and compile teaching materials, sum up experiences, cultivate typical examples, and inspect the lower departments' study performance. They also should work with local law dissemination departments in managing their study of specialized laws, and they should be responsible for propagating and teaching laws among their own cadres.

Local organizations in charge of law dissemination should be responsible for drawing up local regulations and their implementation in accordance with the national general plan and the local situations. They should coordinate and guide all local departments and systems in implementing the plans drawn up by the central authorities, and should inspect the state of law dissemination in various departments under the local jurisdiction, sum up experiences, cultivate typical examples, and inspect the performance of local departments in disseminating laws.

To ensure the smooth progress in law dissemination, party committees, people's congresses, and governments at all levels should earnestly intensify their leadership and supervision, and improve and reinforce their leading groups and administrative offices. Party committees and governments at all levels should do their best in providing budgets and equipment needed for law dissemination.

The Central Military Commission will plan the dissemination of laws in the Chinese People's Liberation Army and organize the implementation of the plan according to this plan.

#### **Circular on Legal Education Plan**

*OW2402144591 Beijing XINHUA Domestic Service in Chinese 0327 GMT 24 Feb 91*

[Text] Beijing, 24 February (XINHUA)—The CPC Central Committee and State Council recently issued a circular approving and transmitting the "Second Five-Year Plan of the Propaganda Department of the CPC Central Committee and the Ministry of Justice About Law Propagation and Education Among Citizens," and asking all localities and departments to make specific arrangements in light of local conditions to implement the plan.

The circular says: The implementation of the second five-year plan for the propagation and education in the legal system is a major social education project. Party committees, people's congresses, and governments at all levels should earnestly strengthen their leadership and supervision to guarantee that the work is carried out smoothly. The

propagation of and education in the legal system must center on the Constitution, focus on specialized laws, and persistently follow the policy of integrating study and application. Leading cadres at all levels, particularly at and above the provincial and army level, should take the lead in learning and applying laws. All citizens capable of receiving education should actively participate in learning the legal system and continuously increase and strengthen their sense of law. We should promote the construction of socialist democracy and the legal system through propagation and education in the legal system in order to create a good legal environment for carrying out economic rectification and deepening reforms and to guarantee our country's long-term, stable political, economic, and social development.

#### **Publicity Angle of Nationalities Policy Explained**

*OW2302181491 Beijing XINHUA in English 1258 GMT 23 Feb 91*

[Text] Beijing, February 23 (XINHUA)—China's main task concerning nationalities affairs is to give more publicity to its policies in that respect—based on equality, autonomy and common prosperity—so as to promote the unity and progress of all 56 nationalities in the country.

Deputy Minister of the State Nationalities Affairs Commission Wu Jinghua told a news conference here today that over the past four decades China has adopted policies toward nationalities which match the country's conditions.

Based on the principles of equality of all nationalities, China has achieved great success in dealing with nationalities affairs, Wu said, adding that China will stick to these policies.

He said he hoped that all government and social organs would help publicize the policies toward nationalities and educate officials and young people so that they can all make contributions to the unity and progress of all the nationalities.

At the news conference, held for a knowledge contest on minority nationalities, Wu said that this national contest, the first of its kind in the past four decades, will greatly help people increase their knowledge about China's nationalities and relevant policies.

The news conference was co-sponsored by the State Nationalities Affairs Commission and the Ministry of Radio, Film and Television.

#### **Open Policy Leads to Ethnic Minority Migration**

*OW2502032891 Beijing XINHUA Domestic Service in Chinese 2119 GMT 23 Feb 91*

[By reporter Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 24 Feb (XINHUA)—With the tide of reform and opening up, the dwelling areas of China's ethnic minorities and the sphere of their activities have

continued to expand. Now, people of the 56 different nationalities are displaying their talents on the same vast expanse of our country, from Tibet Gaoyuan to the hinterland and from the coastal area of Dong Hai to the prairie of Inner Mongolia.

In the past, most of the ethnic minorities were located in remote inland areas, and geographically there were clear lines of demarcation between different nationalities. Now, the reform and open policy have helped the ethnic minorities open their doors and step out of their yurts. They have set out to see the world, while at the same time, their homes are frequented by visitors from far away. More and more people of various nationalities, especially minority nationalities, are moving from west to east and from north to south. The long-distance migration of ethnic minorities within the country is a new trend of the movement of the Chinese population in recent years, says the department concerned.

As revealed by the fourth national census, while the population of minority areas is rapidly growing, there is a considerable increase in both the number and the proportion of minority people in the Han-dominated eastern part of our country.

In the capital of Beijing, there are 55 ethnic minorities, totalling 410,000 people, a symbol of unity and equality of all members of the big family. Economic centers like Shanghai, Tianjin, and Guangzhou also have become multinational metropolises. In the eight provinces and municipalities from Guangdong in the south to Hebei in the north, the number of ethnic minorities has reached around 4.4 million. Their professions include farm and factory workers, government employees at various levels, and personnel of various schools and scientific research organizations. They work and live together, unite with and help each other like brothers, and get along harmoniously, amiably, and happily.

In the past few years, large numbers of Tatar and Uzbek people from the northwest, Ewenki and Hezhen people from the northeast, and Jino people from Yunnan have come to Shanghai, either to engage in study or to take up various jobs. As a result, Shanghai has 44 ethnic minorities. The Shenzhen, Zhuhai, and Shanatou special economic zones now have Oroqen people from the Daxinganling area and Monba and Lhoba people from Tibet Gaoyuan. Guangdong, a province noted for the development of the commodity economy, has 52 ethnic minorities. Jiangsu and Zhejiang Provinces have 53 and 47 ethnic minorities respectively. Both provinces now have 14 more ethnic minorities than they had at the time of the third national census.

What is revealed by statistics is only part of the actual figures. Cities, townships, and towns in the east have attracted people of various nationalities from different localities to come to do business or to work as laborers because of their thriving commodity markets, numerous production enterprises, and large varieties of service trade. The number of such people cannot be counted, but

must be considerable. According to a conservative estimate, the ethnic minorities who have come from remote border areas to work and do business in the interior of the country now number several hundred thousand.

Although the five autonomous regions that represent the areas inhabited by ethnic minorities are lagging behind the east in economic and cultural development, there is a growing trend of relocation and migration of people between different minority areas. People of the Li nationality from Hainan, and Jingpo, Gelao, and Sui nationality people from Yunnan have appeared in Tibet. Some of the Tajik, Tatar, and Uzbek people, who have lived in Xinjiang for generations, now have settled in Yunnan, while people of the Korean nationality in the Changbaishan area have ushered in Lhoba and Monba people from Tibet and Jino and Chingpo people from Yunnan.

According to analysis by an authoritative person, this phenomenon has its deep social and historical backgrounds. The exact reason is not clear, but one thing is certain: Now, people of all nationalities and all minority regions have opened up, learned from, and accepted each other, resulting in an interchange between different nationalities and regions. This certainly will further the development of China's cause of equality, unity, and the progress of all nationalities.

#### **Jiang Zhuping To Be Named New CAAC Director**

*HK2802014091 Hong Kong TA KUNG PAO in Chinese  
28 Feb 91 p 1*

[Report: "Jiang Zhuping To Replace Present Director of Civil Aviation Administration of China"]

[Text] Beijing, 27 Feb (TA KUNG PAO)—According to informed sources, the director of the Civil Aviation Administration of China [CAAC] will be replaced. Hu Yizhou will retreat to the second line and work as an adviser and Jiangxi Vice Governor Jiang Zhuping will succeed as CAAC director.

A native of Jiangsu's Yixing County, Jiang Zhuping, 53, graduated from the missile engineering department of Harbin Military Engineering Academy in 1963. He worked as a designer at the No. 5 Research and Design Institute of the Ministry of National Defense and deputy director of the design institute of the Nanchang Aircraft Manufacturing Plant. Later, he was transferred to the aviation industry to work as secretary of its party membership committee. He has been Jiangxi vice governor since 1988.

#### **Party School Professor's 'Pen Talk' on Ideology**

*HK2702140691 Beijing RENMIN RIBAO in Chinese  
18 Feb 91 p 5*

["Pen Talk" under the heading "Only Socialism Can Develop China" by Zhao Yao, professor at the Central Party School: "Attach Great Importance to Ideological Work"]

[Text] Ideological work is very important. In the past, our party used to attach great importance to ideological work. Comrade Deng Xiaoping once said: "No matter how weak we have been and no matter what difficulties we have encountered, we have always possessed strong combat effectiveness because we have Marxist and Communist beliefs. This is our real advantage, whether in the past, present, or future." It is exactly by this traditional advantage that our party led the broad masses to seize and reinforce political power.

The ideological department is one that creates, manages, and guides public opinion, and engages in psychological and spiritual warfare. The ideological realm has always been the strong goal for which two opposing parties scramble. As early as the beginning of this century, Lenin said: "It can only be like this: Either the socialist ideological system exists or the capitalist one does. No in-between ideological system exists." "Any belittling or separation of the socialist ideological system means the strengthening of the bourgeois ideological system." If the proletariat does not take the ideological front, the bourgeoisie will take it. With vision, he also said: "Since there exist Marxism, unionism, and other ideas within the workers' movement, the adding of this or that 'color' is related to the success and failure of the Russian Socialist Democratic Party for many years to come." This has been proven to be an infallible truth by 20th century practice.

At present, the ideological struggle is extremely complicated and acute. Since the beginning of the 1980's, although the international situation and relations between East and West have been relaxed, the world is not at peace. Seeing that socialist countries are having temporary difficulties while carrying out reform, hostile forces at home and abroad have set off a new antisocialist upsurge, which is the greatest ever insofar as its intensity and turbulence are concerned. The present situation is that the Western anticommunist forces and antisocialist forces, which have emerged in all brands in some socialist countries (the force in China is bourgeois liberalization), have formed a united front and launched an ideological battle against socialism. Western anticommunist statesmen hold that for socialist countries, especially those as vast as the Soviet Union and China, it is impossible to break them through diplomatic attacks because the more severe a diplomatic attack, the more united they will become. Therefore, they can use only the method of causing peaceful evolution in the interior and break them from within the strongholds. In the peaceful evolutionary strategic principles of anticommunist and antisocialist forces for socialist countries, ideological struggle is particularly important. They maintain that with modern mass media networks, ideology plays a more and more important role, and the ratio between the psychological and material functions is 3:1. They have clearly stated that in competing with socialist countries and in carrying out peaceful evolution, the most important thing is "ideological strength." "In the final analysis, ideology, not weapons, determines history." The drastic changes in some socialist countries may have

numerous causes, but the most important is that they have lost ground on the ideological front. China's great political turbulence in 1989 was mainly the result of the unchecked growth of bourgeois liberalization ideas. That was a profound lesson.

In the face of the current anticommunist and antisocialist upsurge, hostile forces at home and abroad have spread numerous antisocialist theories in a vain attempt to speak evil of socialism through propagating public opinion as an offensive move. In the case of those people who stubbornly adhere to bourgeois liberalization, they have advocated and spread many antisocialist theories, such as the "Premature Delivery Theory," which says that China's economy and culture are backward and that socialism is a "child born too early"; the "Taking Additional Lessons Theory," which says that China does not have the conditions for practicing socialism and that therefore it needs to "take additional capitalist lessons," that is, relapsing into capitalism; the "Feudalism Theory," which says that China's democratic revolution is "not thorough" and that China is still "feudalist" and is practicing "modern feudalism," "feudal socialism," and "feudalism painted the color of socialism"; the "Utopian Theory," which says that China has been practicing "utopian socialism" for 40 years and that Mao Zedong was a "modern utopian socialist"; the "Tendency Toward Synthesis Theory," which says that the more developed societies are, the closer socialism and capitalism will "approach one another" and the more ready they will be to "merge with each other," with the result that they will be united into a "postindustrial society" or "information society" that is neither capitalist nor socialist; the "Failure Theory," which says that the failed attempt to practice socialism is one of the two great legacies of the 20th century," and that the Soviet Union's 70 years and China's 40 years of socialism all are failures. Recently, as Western anticommunist and antisocialist statesmen have gained ground, they have wantonly spread the "Outdatedness Theory" of Marxism, the "Revival Theory" of capitalism, the "Death Theory" of communism, and the "Failure Theory" of socialism. We must make great efforts to refute the fallacies of these antisocialist theories, and thus eliminate their negative influence on the masses.

We must attach great importance to ideological work and take the initiative and offensive on this battle front. We must take effective measures to strengthen ideological and theoretical work, incorporate the new practice, and uphold and develop Marxism. We must conscientiously organize vast numbers of cadres and people to study Marxist theories, especially scientific socialist theories, and reinforce our socialist beliefs and strengthen our confidence in socialism. We should hold aloft the banner of Marxist criticism, carry forward the "anti-trend" spirit as advocated by Lenin, and criticize all forms of false antisocialist theories, especially the "Revival Theory" of capitalism and the "Failure Theory" of socialism. Only if we do this conscientiously will we definitely be able to carry forward our party's



traditional advantage and win new victories in the struggle in the ideological realm.

### New Book Lauding Yanan Spirit Reviewed

HK2702134991 Beijing RENMIN RIBAO in Chinese  
21 Feb 91 p 4

[Article by Ma Wenrui (7456 2429 3843): "Inherit and Carry Forward the Yanan Spirit"; preface to the book *The Historic Role of the Northwest Base*]

[Text] The Chinese people are forever committing to memory Yanan and the northwest revolutionary base situated there because it made special contributions to the Chinese revolution. Here, the revolution headed from failure to victory. Here, Mao Zedong Thought developed to maturity and became the guiding ideology of the party. Here, the party and people created excellent revolutionary traditions, called the Yanan Spirit. The spiritual wealth born in Yanan must be transmitted from generation to generation. Nevertheless, with the passage of time, many people, particularly young people, know little about it. What makes it gratifying is the forthcoming book, *The Historic Role of the Northwest Base*, which old Comrade Wu Zhiyuan painstakingly worked on for a long time and finally completed. I wholeheartedly congratulate him on the publication of this book.

The author of this book is a native of northern Shaanxi who worked, fought, and studied in the northwest base for a long time. For many years, he paid attention to collecting relevant historical data. After leaving his work post, he devoted more energy to extensive investigation, and in light of what he personally saw, heard, and experienced, he studied with great concentration for several years and eventually completed this great work. This book briefly describes the course of building the northwest base; thoroughly discusses its great historic role; and truly records and narrates the political, military, united front work, economic, cultural, and party affairs principles and policies of Comrade Mao Zedong in northern Shaanxi for 13 years. It vividly shows the unusual wisdom, outstanding command talent, high struggle art, revolutionary spirit of plain living and hard struggle, and honest simple lifestyle of the revolutionaries of the older generation. This book is mainly a narrative with necessary comments as supplements. Relevant material is drawn upon extensively, the contents are rich, and the historical data is true. This book benefits and enlightens people and definitely merits perusal.

Many revolutionaries of the older generation have expounded on the historic role of the northwest base and Comrade Mao Zedong pointed out in the "Work Principles of the 'Seventh Party Congress'": "Without northern Shaanxi, we could not find a place to set our feet. I say northern Shaanxi consists of two points: A footing and a starting point." These two points summarize the important role of the northwest base in a concentrated way. During the second revolutionary civil war more than half a century ago, our party built over 10

revolutionary bases. The base established by the northwest party organization and Comrades Liu Zhidan and Xie Zichang on the Shaanxi and Gansu borders was one of them. Due to the incorrect leadership of Wang Ming's "left" opportunism, the revolutionary cause of our country was seriously dampened and the party practically disappeared in the White areas and lost 90 percent of its force in the Red areas, compelling the Red Army to effect a strategic diversion. On the Long March, the central authorities conducted many discussions aimed at building a new revolutionary base. Due to rapid changes in the enemy situation, the plan was hard to carry out in the end as the base changed several times. In September 1935, the CPC Central Committee arrived in Hadapu, Gansu, knowing from Kuomintang [KMT] newspapers that northern Shaanxi had a revolutionary base and the Red Army led by Liu Zhidan. They formally made a decision: Go to northern Shaanxi. Led by the CPC Central Committee, the Central Red Army fought hard for one year, suffered hardships, and made great sacrifices, finally acquiring a new foothold. From that time, the supreme headquarters of the Chinese Revolution were moved from the southeast to the northwest. Under the direct leadership of the CPC Central Committee, the northwest base became stronger with each passing day.

After the CPC Central Committee and the First, Second, and Fourth Front Armies of the Red Army arrived, in turn, in northern Shaanxi, the northwest base became the starting point of the War of Resistance Against Japan. At that time, the most urgent task was to launch the War of Resistance Against Japan in a comprehensive way and to save the nation from peril. In view of this, the CPC Central Committee in Wayaobao, northern Shaanxi, formulated a complete set of principles and policies of resistance against Japan and a national united front. The committee first promoted the great northwest alliance, using this to impel the National Government to stop the civil war, to achieve KMT-Communist Party cooperation for the second time, and to resist foreign aggression. After the outbreak of the nationwide war of resistance, the northwest base was named the Shaanxi-Gansu-Ningxia border area. The CPC Central Committee regarded the Shaanxi-Gansu-Ningxi border area as an anti-Japanese command center and a strategic rear, sending the Eighth Route Army, reorganized from the Red Army, behind the enemy in north China to launch an extensive guerrilla War of Resistance Against Japan. Meanwhile, under the guidance of the CPC Central Committee, Red Army guerrilla units in the south were reorganized into the New Fourth Army, which went to central China to resist Japanese aggression. Here the line, principles, and policies of the War of Resistance Against Japan were formulated and the anti-Japanese struggle of army personnel and the people in all the bases was directed. Here, thousands upon thousands of cadres of all levels and categories were trained and successively sent to work in all places. In the eight years of the war of resistance, the revolutionary force developed 19 bases, a regular army of 1.2 million men, a militia of 2.6 million, and 1.21 million party members, laying a solid foundation to win victory in the War of Resistance Against Japan and the War of Liberation afterwards.

After victory in the war of resistance, Chiang Kai-shek's reactionary government went against the will of the people and outrageously launched civil war. The Shaanxi-Gansu-Ningxia border area again became the supreme headquarters of the people's War of Liberation. The CPC Central Committee devised the strategy of cave dwelling, decided the issues in the battle 1,000 li away, and successfully directed the People's War of Liberation of the world's largest population. We headed for New China from here and planted red flags all over the Divine Land.

The Shaanxi-Gansu-Ningxia border was also an area in which our party conducted experiments in political, military, economic, and cultural development. Most party principles and policies were implemented here on a trial basis; examples were set which then were popularized in other places. In this way, the party guided construction in all bases and accumulated experience for building the future New China. The substance of the Shaanxi-Gansu-Ningxia border area was also the embryonic form of New China.

In brief, people often note that on the land of the northwest base in the Yanan period, the Chinese Revolution experienced its most important stage of development and attained great achievements and rich experiences. We must never forget this. We now have ushered in another important historical stage. Since the Third Plenary Session of the 11th CPC Central Committee, we have scored great achievements that attract worldwide attention. However, certain faults also have appeared and we now face some difficulties. The CPC and the country have adopted practical measures and can surely correct the faults and overcome the difficulties. We must have full confidence in the prospects for socialist modernization. "Past experience, if not forgotten, is a guide for the future." However great present difficulties may be, they are not so great as those in the periods of the War of Resistance Against Japan and War of Liberation, while our actual strength is much greater than at that time. Historical experience shows that when the party closely relies on the people, and the people resolutely and closely follow the party, we succeed wherever we go. In the past, we relied on party leadership. Mao Zedong Thought relied on the Yanan spirit to win victory in the new democratic revolution. Today, we likewise can win a great victory in building socialism with Chinese characteristics. It is because of this that the CPC Central Committee has repeatedly advocated that we must study Marxism-Leninism-Mao Zedong Thought and inherit and carry forward the Yanan Spirit. It is hoped that readers, particularly young people, will seriously read this book, absorb wisdom from the brilliant practice of the revolutionaries of the older generation, enhance their understanding, and strengthen their confidence so as to inspire their enthusiasm and redouble their efforts to work.

I believe that this book will bring great benefit to the people. I therefore recommend it to the readers and expect that more good books will emerge!

### 'Social Report' Examines AIDS Epidemic

HK2202134091 Beijing RENMIN GONGAN BAO  
in Chinese 22 Jan 91 p 4

["Social report" by Liu Guiming (0491 2710 2494):  
"China Is Not Free From AIDS"]

[Text] A very small virus has sparked off a great turbulence throughout the world.

The AIDS virus, the size of which is only 1/16,000 that of a pin, has cast the shadow of death on hundreds of thousands of AIDS patients throughout the world.

WHO Director General Dr. Hiroshi Nakajima and former Director General Halldan T. Mahler held that AIDS prevention has become the "number one issue" in the world and a great nagging question on earth.

In the face of this global issue and of this "supercancer" that affects people of different sexes, ages, nationalities, and countries, the world must mobilize its best forces to resist.

China is a traditional country.

China is heading from a closed-door society toward opening up.

Today, China is beginning to face the threat posed by AIDS, a plague.

AIDS is a new member in the family of venereal diseases, which are as ubiquitous as flies. Therefore, as Portuguese merchants came to trade in Guangzhou, China's important port, at the beginning of the 16th century, they brought European civilization, as well as syphilis, into China with them. So when we are enjoying the air and sunshine today, we must inevitably face the reality that VD probably is spreading.

#### A. The Reality That We Have No Choice

On 1 October 1949, when New China stood up from among the ruins, we came to know that what old China had left us was: 10 million VD patients, brothels everywhere, and tens of thousands of prostitutes.

After 15 years of arduous efforts, in 1964, Hu Chuankui, director of the Research Institute of Dermatoses of the Chinese School of Medicine and Sciences announced to the world on behalf of the Chinese Government that China had basically eliminated VD.

Nevertheless, perhaps no one would have expected that after approximately another 15 years, VD spread to China again. And it tends to spread from coastal areas to inland areas and from cities to rural areas. According to incomplete statistics from 1982 to 1987, on average the incidence of VD in China had a 3.13-fold increase each year. In recent years, VD patients in Beijing have been increasing year by year.

Since 1964, people have gradually forgotten VD. Now most people under the age of 40 do not know VD exists.

The revival of these diseases, which have been extinct for years, has caught medical circles unprepared: Medical personnel in general do not know the methods of diagnosis and treatment of VD, and the majority of medical organizations lack or have not mastered laboratory examination methods in their laboratories, and lectures on VD are no longer given in many medical schools. Thus, almost everyone, whether doctor or patient, has to learn to understand VD from scratch.

The Xicheng District Venereal Disease Prevention and Monitoring Center, located in Beijing's Changqiao has set a precedent.

They held an exhibition called "Venereal Diseases and Sex Knowledge," giving explanations through words, photographs, and videotapes. In this way, they have put an end to the taboo on VD, which has existed for years in Beijing.

They have set up a VD counseling and outpatient center, the first in Beijing. According to the center's two responsible persons, Xu Ruixing and Liu Taiping, since the outpatient center began operation, more and more patients have come for consultation, despite the fact that they still feel embarrassed, indecisive, or even too shy to talk about their diseases.

—A certain male, aged 32, a native of Beijing, married, and engaged in homosexual acts for half a year. Chief complaint: Rash on palms and soles for two weeks. The body check result: Dark reddish macular eruption, desquamated. Syphilis serologic examination was positive. The disease was diagnosed as secondary syphilis.

—A certain female, aged 25, married. Chief complaint: Having cloudy urine for two weeks. Medical history: Four to five days after having sexual intercourse with her husband, she began to complain of urethritis and cloudy urine. Two months later, the joints in her knees ached and became weak. Her husband had contracted pointed condyloma and gonorrhea. The body check result revealed that her labia were red and swollen, and that small neoplasm were found around her meatus urinarius. Thick secretion and blood oozed from her uterine neck. The diseases were diagnosed as pointed condyloma, complicated gonococcal vaginitis, cervicitis, and arthritis.

—A certain male, aged 38, married. Chief complaint: Pus oozed out of his meatus urinarius, and for five days he suffered pain when urinating. Medical history: During his business trip to Changbaishan in the northeast, he had sexual contact with a lady. Approximately two weeks later, his urethra became red and swollen. Symptoms were urgency, frequency, and pain of urination. The body check result: Red and swollen in meatus urinarius. Thick, yellowish secretion existed and gonococcus were found in secretion smear. The disease was diagnosed as gonorrhea.

The two responsible persons put special emphasis on the misery that VD brings to families. A certain actress contracted early syphilis, but she denied it. Her doctor

advised her husband to come for a physical check and ideological counseling. It was later discovered that the man was manager of a certain hotel, had had sex out of wedlock, contracted syphilis, and passed it to his wife. The lady was discriminated against by her seniors and colleagues. She suffered a great deal of unredressed frustration, while her body and mind were greatly debilitated. Experts pointed out that in addition to such means of contraction as intravenous injection of drugs and blood transfusion, one must not be careless about contraction through sexual contact. In Yunnan, two cases were found in which the husbands tested positive for the AIDS antibody and so did their wives. This explains that contraction through sexual contact already exists in China.

So far, there is still no medical record of AIDS patients from China, but nonetheless there are records of VD spread from outside the country.

—On 23 June 1985, as an Argentine-American was touring China, he fell sick. Later, it was discovered that while in the United States, he had been found to have contracted AIDS, but he did not tell the truth about his disease. He came to China by way of Shanghai on 27 May 1985 and toured Nanjing, Xian, and Beijing. As his health deteriorated, he was admitted to Beijing's Xiehe Hospital, where he later died.

—On 13 February 1987, a 35-year-old AIDS patient was found in Fuzhou. He was the patient whose disease was diagnosed as AIDS by China for the first time. He was a cook from Hong Kong, and he died in a Fuzhou provincial hospital.

—The third case was found in July 1987. The patient was an American editor. He went back to the United States in August the same year.

According to WHO, from 1981, when man first understood and diagnosed AIDS, to 31 October 1990, the number of AIDS patients that were later affected throughout the world reached 29.18 million, and they were scattered in 157 countries and regions. So far, at least eight million people throughout the world have contracted the AIDS virus, and one third of them are women. What is particularly unfortunate is that it has been clinically proven that approximately 50 percent of their babies may have contracted the AIDS virus. Most of these innocent children will die before they reach five years of age. On 28 November 1990, the UN General Assembly passed a resolution urging UN members to take all kinds of measures to prevent and control AIDS. According to statistics, the number of people that will contract the AIDS virus in the next 10 years will range from 25 million to 30 million, of which 10 million will be babies and children.

The reality is grim and the threat exists at all times.



**B: We Should Make Every Effort To Keep AIDS Out of China**

Several years ago, most Chinese people still thought that AIDS was far from threatening them and was much less frightening than cancer. At present, experts remind us that AIDS and hepatitis-B are spread basically through the same means and that China is a country where the number of hepatitis virus carriers is extremely high.

Almost all the scientists in China who closely watch AIDS and VD unanimously maintain: The spread of AIDS into China is inevitable. It is only a question of time. It is impossible for China to remain a closed "paradise," as the AIDS virus will not allow China to remain a clean country. The view that the yellow race is innately immune is extremely dangerous. What we can do is to make every effort to keep AIDS out of China.

The Chinese Government has mobilized all departments and forces that should be mobilized to prevent AIDS and VD.

In January 1988, with the approval of the State Council, seven ministries, commissions, and bureaus promulgated the "Various Regulations on the Monitoring and Control of AIDS."

—We have banned the importation of blood and blood products. Foreigners that plan to stay in China for one year must obtain a certificate certifying that they do not carry the AIDS virus. Those without such certificates must have their blood tested. Those that pay a short visit to China, though they are not required to have their blood tested, must declare upon disembarkation that they have do not carry the AIDS virus. The Chinese that have stayed abroad for more than one year must also have their blood tested. Hemophilic patients and women who were once prostitutes also must have their blood tested.

—The State Science and Technology Committee allocated nearly \$100,000 for research on AIDS prevention during the "Seventh Five-Year Plan." Relevant experts are exploring and studying Chinese herbal prescriptions to find a cure for AIDS.

In the past five years, we have monitored 325,375 samples of serum from major groups of people and discovered that 446 samples tested positive for the AIDS antibody, of which five cases were diagnosed as AIDS. However, we should say that the scope of monitoring is still very small and still cannot meet the demands of monitoring.

In January 1988, WHO set aside 1 December as World AIDS Day. The purpose of this is to heighten people's awareness of the danger of AIDS and mobilize people to prevent this terrible viral disease.

On the first "World AIDS Day" in 1988, publicity about AIDS reached a high tide in China.

—At the prime time during that evening, Public Health Minister Professor Chen Minzhang delivered a televised speech to the whole nation on the prevention of AIDS.

—The "Exhibition of Knowledge About the Prevention and Treatment of AIDS and Venereal Diseases" jointly held by seven public health units and JIAN-KANG BAO [Health Journal] opened in Beijing's Zhongshan Garden. Responsible figures of various important ministries such as the Public Health Ministry, Public Security Ministry, and Justice Ministry; the All-China Women's Federation; and the Chinese People's Political Consultative Conference attended and cut the ribbon at the opening ceremony.

—Beijing has set up six advisory centers in the Xiche, Beiyisan, Tiantan, Youyi, and Jishuitan Hospitals, and in language institutes to provide advisory services and give out publicity material.

—Several provinces and cities, including Shanghai, Guangzhou, Fujian, Zhejiang, Jiangsu, and Tianjin, also have held relevant activities.

In the future, each year on this day, party leaders, spiritual leaders, government ministers, doctors, singers, soccer stars, ordinary men and women, and the United Nations will hold massive publicity and educational activities in the hope of effectively preventing AIDS.

**C: In Order To Eliminate AIDS, the Government Must Make New Laws To Cope With New Situations**

In many parts of the world, legal issues deriving from AIDS have drawn the close attention of the public. Many people maintain that it is necessary to make public health laws to grant rights of immunity in medical lawsuits and to protect the privacy of individuals.

The most common legal issues are those related to blood transfusion. The blood supplier may inadvertently transfuse his polluted blood into another person, thus causing him to contract AIDS, while he himself goes unpunished. This is a legal issue that deserves further study. Now, by means of blood sieving, it is completely possible to prevent polluted blood from being transfused into another person. So then the blood supplier should be responsible.

Another issue is the mandatory blood testing, by means of blood sieving, of highly dangerous groups of people. Although this may amount to trespass upon privacy and give rise to the question of discrimination, there should at least be some provisions to encourage and promote the blood testing of highly dangerous groups.

Laws in many countries around the world stipulate in explicit terms that without the consent of the patient, the doctor cannot disclose the patient's condition. Whereas some countries maintain that it is in the interest of society to disclose the conditions of AIDS patients. Under these circumstances, the question is how law can balance personal and public interests.

The treatment costs for AIDS patients are so surprisingly high that insurance companies can give all kinds of reasons to refuse to pay them. Unless legal provisions exist, there is no means of changing this situation.

The issue of discrimination in employment will become particularly outstanding in the next few years. Some employers will immediately discharge their employees when they find them to have contracted AIDS. Although some countries (such as the United States) allow AIDS patients to work, being treated as totally handicapped persons, and do not force them to tell their colleagues about their diseases. However, the public and the patients' colleagues are in the danger of contracting the disease. It is obvious that formulating some regulations to arouse public attention to AIDS patients and to prevent the disease's spread should be promoted.

The issue of personal responsibility for the spread of AIDS is important. If AIDS patients intentionally use contagion as a weapon to harm others or attempt to do so, this will amount not only to infringement on civil rights but also to crimes. At present, for those VD patients that spread their diseases to others intentionally, only the Soviet Union has legal provisions for the investigation of relevant cases and to affix responsibilities to the people involved as criminal or civil offenders.

**D. "The Responsible Sex Acts of Individuals Are the Most Effective Vaccine for Preventing AIDS and Venereal Diseases"**

Each year on "World AIDS Day," China gives an answer to the world by publicly and squarely facing the highly sensitive realm of sex. Moreover, China also reminds its people: The state can ban the importation of blood products, avoid contraction through injection, and stop the spread from mother to child. Only sexual contact, a human instinctive activity, must be controlled by every citizen with their reason and civilization. Today, amid the numerous mistakes that humans have made, such as environmental pollution and population explosion, nature only uses AIDS, the cruellest means, as a direct punishment on human beings. This has, in turn, stimulated them to make reflections that they have never made:

Should human beings control themselves after all?

Humans can reach the moon, but can they control and improve themselves?

Now, the threat of AIDS exists throughout the world.

The soul of AIDS is hanging around on every corner of the earth.

Please remember, AIDS is called the "20th Century Plague." It is spreading everywhere in the world at a growth rate of one additional patient per minute.

Who will be the next patient?

**Wu Xueqian Says Tourism Policy To Continue**

OW2302180691 Beijing XINHUA in English  
1232 GMT 23 Feb 91

[Text] Beijing, February 23 (XINHUA)—Administrations at all levels in China will continue to

follow preferential policies with regard to tourism, Vice-Premier Wu Xueqian told a national tourism conference here today.

He said that tourism departments will organize novel and high-quality activities for overseas tourists this year. These departments will also produce more tourism consumer items with distinctive Chinese features and improve travel facilities.

Wu said the keys to boosting tourism are better training for staff in this industry and closer supervision of hotels.

**Science & Technology**

**Eighth 5-Year Scientific Plan Formulated**

OW2602083791 Beijing Domestic Service  
in Mandarin 2230 GMT 24 Feb 91

[From the "News and Press Review" program]

[Text] According to the XINHUA NEWS AGENCY, the State Science and Technology Commission recently decided officially to include the program for popularizing key state scientific and technological achievements in the state's scientific and technological plan package for the Eighth Five-Year Plan. Thus, the number of scientific and technological plans organized by the state during the Eighth Five-Year Plan period has reached six. The six major scientific and technological programs are as follows: A program for tackling problems in science and technology, a program for popularizing key scientific and technological achievements, the Spark Program, the Torch Plan, a high-technology research and development program, and a program concerning the study of basic science. Dovetailed and interconnected, the six major programs are an overall strategic plan of China's scientific and technological work in three stages: facing the main battlefield of economic construction, developing high technology, and intensifying research in basic science. They form a comprehensive system of scientific and technological plans.

The state's program for tackling problems in science and technology was initiated in 1982. According to the program, the state would organize and amass power from various fields to make significant breakthroughs in some selected scientific and technological research projects that will bring important economic results to national economy. The program for popularizing key state scientific and technological achievements, the Spark Program, and the Torch Plan are all part of the plan for popularizing scientific and technological achievements, among which the Spark Program, proposed in September 1985, was the earliest. It was devised for introducing a number of practical techniques, based on conditions of local resources and economy, to village and town enterprises, as well as small and medium-sized enterprises to promote economic revitalization there. The Torch Plan was put into practice in August 1988 for industrialized development of high-technology research achievements and for opening up China's industry of high and precision

technology. The program for popularizing key state scientific and technological achievements is made to promote to large and medium-sized key enterprises in agriculture and traditional industries those important achievements that can be widely used and are remarkably efficient. The high-technology research and development program focuses on China's economic strength at the turn of the century, whereas research in basic science is aimed at gaining momentum for China's long-term scientific, technological, and economic development, which has drawn much attention in the past few years.

### **Song Jian Addresses National Work Meeting**

*OW2602115191 Beijing XINHUA in English  
1059 GMT 26 Feb 91*

[Text] Beijing, February 26 (XINHUA)—Chinese State Councilor Song Jian urged the nation's meteorological institutions to develop meteorological science and technology in order to better serve economic construction and agriculture in particular.

Addressing a national work meeting on meteorology, Song asked meteorological institutions to continue to concentrate on services to agriculture and promote practical meteorological technology for agriculture.

He also urged the meteorological institutions to establish an advanced network of climatic monitoring, improve the technique of weather forecasting and promote research into climate science.

According to the National Meteorological Bureau, China has more than 2,600 ground weather stations, over 100 sounding stations and 200 sets of meteorological radar.

In 1988 and 1990, respectively, China launched two meteorological satellites and it has completed a network of meteorological communications covering all parts of the country.

Moreover, China has set up more than 700 agricultural meteorological observation stations to study disastrous weather affecting agricultural production.

Zou Jingmeng, director of the National Meteorological Bureau, expected that the country will, in the next decade, upgrade its meteorological science and technology up to the advanced world standard of the late 1980s, and catch up with the world level in terms of short-term forecast and service.

### **Wen Jiabao on Marxism's Relevance to Science**

*OW2702184691 Beijing XINHUA in English  
1723 GMT 27 Feb 91*

[Text] Beijing, February 27 (XINHUA)—An official of the Communist Party of China (CPC) said here today that scientists and technicians need to learn and grasp Marxist philosophy to ensure the smooth progression of scientific research.

Addressing a forum of the China Association for Science and Technology, Wen Jiabao, an alternate member of the Secretariat of the Central Committee of the CPC, said that, as a scientific world outlook and methodology, Marxist philosophy is suitable for all kinds of scientific activities, including basic and applied sciences research and the spread and application of science and technology.

Marxist philosophy will help the scientists and technicians create a scientific world outlook and make them aware of their great responsibilities to the socialist modernization drive, Wen said.

It will also help them in guiding their scientific research by using scientific methods and ways of thinking, he added.

Wen quoted the theory of Leninism as saying that a natural scientist should also be a dialectical materialist and should always conform to the laws of materialist dialectics in scientific practice.

In a socialist country like China, Wen said, the party and the government have provided favorable conditions for scientists and technicians to learn Marxist philosophy.

Wen said that the essential task of science institutions is to achieve scientific results and to train talents in various fields of science. Therefore, scientists should focus their attention on scientific research, he stressed.

However, by urging them to learn Marxist philosophy, Wen said, we hope that they will grasp the standpoints, viewpoints and methods of Marxism, and insist on the principles of "seeking truth from facts" and "integrating theory with practice" in their work.

In academic activities, Wen stressed, the doctrine of "letting a hundred flowers bloom and a hundred schools of thought contend", a policy set forth by late Chairman Mao Zedong for promoting the progress of the arts and the sciences and the development of a flourishing socialist culture, should be observed.

### **Science, Technology Continues Growth in 1990**

*OW2202132491 Beijing XINHUA in English  
1251 GMT 22 Feb 91*

[Text] Beijing, February 22 (XINHUA)—The past year has seen 2,914 new results in China's science and technology, according to a communique issued by the State Statistics Bureau here today.

Various scientific and technical programs initiated by the state have been progressing smoothly and have yielded notable results. Over 90 percent of the tasks included in the state project to tackle key scientific and technological problems during the Seventh Five-Year-Plan period (1986-90) had been fulfilled by the end of last year.

These projects included some major breakthroughs, such as the high-resolving seismic prospecting technology and the batch production of the 300,000-kilowatt power generating sets.



In 1990, the communique said, the national Natural Science Foundation approved a total of 135 million yuan to support 3,531 scientific research projects, up by 8.9 percent and 11.4 percent, respectively, over the previous year.

In addition, 11 new national laboratories were set up last year. These facilities opened to domestic and foreign scientists after passing the state's appraisal.

As science and technology developed, the communique said, the scientific and technical personnel grew in size. By the end of 1990, China had 24.32 million professionals and technicians in various scientific fields. Of these 24.32 million, 10.97 million are specialized in natural sciences, a six percent increase over 1989. Moreover, there are now 5,410 state-owned independent research and development institutions with 420,000 scientists and engineers.

According to the bureau, the number of science associations under industrial and mining enterprises reached 7,600 by the end of last year. These associations have promoted the participation of the masses in scientific activities.

By the end of last year, China had 3,000 product supervision and testing centers, of which 104 were state centers. In addition, 853 national quality standards were formulated or amended last year.

Furthermore, rapid progress was made in the work of patent application. The patent office of China received 41,469 domestic and foreign patent applications last year, up 26 percent from the previous year.

#### **Superconductor Research Laboratory Established**

*OW2602192691 Beijing XINHUA in English  
1444 GMT 26 Feb 91*

[Text] Beijing, February 26 (XINHUA)—China's national superconductor research laboratory, the country's most important research base in the field, was formally established here today.

The construction of the laboratory, which was sponsored by the State Superconductor Research Center at the Institute of Physics under the Chinese Academy of Sciences, began in 1988 upon receiving approval from the State Planning Commission.

While the laboratory was being constructed, scientists at the institute began conducting research into the field and have recorded a series of unprecedented results.

Among the results, Professor Zhao Zhongxian and his colleagues' findings on superconductors at the temperature of liquid-nitrogen won the first-class prize of the national awards presented in the field of natural sciences in 1989.

During the past three years, scientists at the laboratory have published a total of over 300 research papers, about one half of which were published in foreign academic journals.

After its establishment, the laboratory will focus on research into the functions and application of yttrium

and bismuth-materials, and the development of high-temperature electronic devices.

With an open, flexible and cooperative management system, the laboratory will also try to attract scholars from both home and abroad to participate in research projects.

Scientists said that they hope to make the laboratory an international experimental base for experimentation into high-temperature superconductivity in the next decade.

#### **Application of Nuclear Technology Studied**

*HK2802085091 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0628 GMT, 25 Feb 91*

[Dispatch: "Nuclear Technology Has Become China's New High-Tech Industry"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 25 Feb (ZHONGGUO TONGXUN SHE)—At present, China's nuclear technology is being widely applied to all sectors of the national economy, including industry, agriculture, medicine, resources, environmental protection, scientific research, and education. Next only to the nuclear energy industry, it has become the second largest new high-tech industry of China's nuclear industries.

At present, over 2,000 units throughout the country are engaged in the technological development of isotopes and radiation and their application to production. By using methods that integrate radiation with other technologies, China has developed and bred 325 new crop varieties and promoted them in an area of 140 million mu, with an annual increase in grain output ranging from 3.7 billion to 4 billion kg, cotton output from 150 million to 200 million kg, and oil-bearing crops from 20 million to 75 million kg.

In the medical area, nuclear technology has provided effective means for clinical diagnosis, treatment, and pathological and pharmacological research. In the prevention and curing of diseases, especially in the discovery of cancer at an early stage and in its diagnosis and treatment, nuclear technology plays an important part. At present, more than 1,000 medical units around the country use isotopic and radioactive technology, and they admit and treat over 10 million patients each year.

At present, industrial branches across the country possess over 7,000 nuclear apparatuses and instruments of all kinds. In the future, China will build more than 150 radioactive installations and 25 industrial radioactive accelerators, thus giving form to its radioactive processing industries.

#### **Zijinshan Observatory Catalogs Minor Planet**

*OW2502154691 Beijing XINHUA in English  
1539 GMT 25 Feb 91*

[Text] Guangzhou, February 25 (XINHUA)—A minor planet discovered by the Zijinshan Observatory on

November 11, 1980, has been named "Shantou" and become the 3,139th minor planet in the astronomical almanac.

The minor planet, estimated to be 32 km in diameter, takes 5.7 years to complete an orbit around the sun.

"Shantou" is the name of one of China's first four special economic zones. A coastal city in south China's Guangdong Province, the Shantou Special Economic Zone has become one of the country's most economically developed areas. Last year it realized 13.33 billion yuan in its total industrial and agricultural output value.

### Shanghai Doctor Develops Artificial Throat

OW2502181891 Beijing XINHUA in English  
1542 GMT 25 Feb 91

[Text] Beijing, February 25 (XINHUA)—A Chinese doctor has invented an artificial throat, which can help people who lost their vocal cords to cancer speak efficiently, the Beijing-based "GUANGMING DAILY" reported today.

The paper said so far 123 cancer victims have benefited from the invention.

The artificial throats are made from the recipients' own neck muscle membrane, bone, cartilage and nerves, said Professor Huang Henian of Shanghai Medical University, the developer of the technique.

After the operation, all of the 123 patients could speak clearly and effectively, he said.

Some factory directors who received the artificial throats spoke for several hours at a meeting with no difficulty.

The paper said the new technique is unprecedented both at home and abroad.

Professor Huang was awarded second prize for important invention by the State Science and Technology commission in 1988.

The Ministry of Public Health has decided to popularize the new technique throughout China.

## Military

### Jiang Zemin Stresses Party Leadership Over Army

HK2702120291 Beijing JIEFANGJUN BAO in Chinese  
13 Feb 91 p 1

[Report by XINHUA correspondent Tan Daobo (6223 6670 0590) and staff correspondent Dong Xiangqi (5516 4382 6386): "While Inspecting Troops and Military Academies in Henan, Chairman Jiang Stresses Absolute Party Leadership Over the Army"]

[Text] Zhengzhou, 12 Feb (JIEFANGJUN BAO)—While inspecting troops garrisoned in Henan and the military academies there, Jiang Qemin, general secretary of the CPC Central Committee and chairman of the

Central Military Commission, pointed out the necessity of inheriting and carrying forward the fine tradition of our party and army, with the spirit of the 13th CPC Central Committee's Seventh Plenary Session as the guideline; further strengthening unity within the army, and army-government and army-people unity; promoting army and social stability; developing a powerful cohesive force; increasing the army's combat effectiveness; and making greater contributions to ensuring the smooth progress of the socialist modernization program.

At a time when the army and people were joyfully greeting the Spring Festival 5-11 February, Chairman Jiang—accompanied by Han Huaizhi, deputy chief of staff, and Zhang Wannian, Jinan Military Region commander—made an inspection tour of air and ground units garrisoned in Anyang, Xinxiang, Luoyang, Kaifeng, and Zhengzhou; military academies; national defense scientific research institutions; and the Henan armed police corps, and met with these units' officers and men. Song Weiqing, political commissar of the Jinan Military Region, also was present at a meeting with officers and men of a unit in Anyang. On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, Chairman Jiang extended his festival greetings to officers and men of the units garrisoned in Henan and to retired officers. Jiang wished them all a happy New Year and wished veteran comrades good health and longevity.

Chairman Jiang paid close attention to the building of grass-roots units. He visited the "Second" and "First Red Companies" of a unit garrisoned in Henan and the "Yang Gensi Company" of another unit. He looked at their company histories, entered the dormitories, examined the weapons, and had his photograph taken with the officers and men. Chairman Jiang urged them to maintain their fine tradition, carry forward the spirit of revolutionary heroism, and build up tough companies.

During the unit inspections, Chairman Jiang repeatedly stressed that the party's absolute leadership over the army should be upheld at all times. He pointed out: The army should always obey party orders, give full play to its mainstay role of defending the motherland and the socialist system, satisfactorily fulfill the tasks entrusted to it by the party and the people, further promote the state's political stability, and do a good job in economic construction.

Chairman Jiang urged the army units to uphold the spirit of "we come from all parts of the country" and further enhance unity. To meet the needs of the situation and the tasks in the course of development, he said, our army units and some local departments have encountered the problem of a changed structure. This involves our cadres, who may come from one unit or department. No matter where they come from, they should follow Chairman Mao's instructions made in *Serve the People*: We hail from all parts of the country and have joined together for a common revolutionary objective. Our objective today is to build and defend our motherland and uphold the road of socialism with Chinese characteristics. For this reason, we should stress and publicize

the spirit "we come from all parts of the country," learn from each other to make up each other's deficiencies, and maintain close unity. Unity is tantamount to strength, combat effectiveness, and cohesive force.

Chairman Jiang pointed out: We should continue to improve and strengthen ideological, political, and management work; deal with work in light of actual situations; and attain practical results. On the whole, he said, it is beyond doubt that our army is politically up to standard and organizationally pure. Nevertheless, our army does not live in a vacuum. Different kinds of thinking in society will find expression within the army units and will influence the thinking of our officers and men. Under the situation of reform and opening up, the men of the army units have many new characteristics compared with the past. Thus, it is necessary to get a clear idea of the men's characteristics, frequently conduct ideological work in light of the actual circumstances, and continuously improve their military and political qualities. It is also necessary to conduct ideological and political work, training, and management work in a down-to-earth manner, and to pay close attention to implementation.

Chairman Jiang also discussed the question of army-government and army-people unity. While performing important duties, Jiang said, the army has always obtained vigorous support from the locality. In local rescue work, the army has always been in front. This shows that the army cherishes a deep affection for the people and that the saying "if the army and the people are united as one, who in the world can match them?" constitutes an irrefutable truth. He urged the army and the people in Henan to make concerted efforts to realize further political stability and sustained economic development.

## RENMIN RIBAO on Protecting Military Sites

### Lanzhou Region

HK2802044591 Beijing RENMIN RIBAO in Chinese  
22 Feb 91 p 1

[Report by Fan Zengmin (2868 1073 3046): "Military Installations in Northwest China Are Well Protected"]

[Text] In view of the serious damage to military installations in the previous few years, the five provinces and autonomous regions in northwest China adopted comprehensive measures for ensuring the implementation of the "Law on Protecting Military Installations." Up to mid-February, 98.6 percent of the existing military installations were kept in good condition.

After the "PRC Law on Protecting Military Installations" was promulgated, the Lanzhou Military Region and the relevant departments of the five provinces and autonomous regions immediately held a meeting to decide on comprehensive measures. The principal leaders of Shaanxi, Gansu, Ningxia, and Qinghai separately gave radio and television speeches requiring leaders at all local levels, as well as the masses, to

resolutely implement the law. In Xinjiang, units at and above the county level all held mobilization meetings to give publicity to the law, and they were all determined to do a good job in protecting military installations.

Various provinces and autonomous regions also used video and audio materials, photographs and pictures, and other propaganda materials to tell the masses of the importance of protecting military installations. Provincial and city television and radio stations, newspapers, and journals also organized special propaganda campaigns on this subject. These provinces and regions sent more than 5,000 propaganda teams, sent out some 10,000 propaganda cars, and distributed more than 400,000 copies of propaganda materials to give publicity to the "Law on Protecting Military Facilities" in a thorough way. Up to the end of last year, 95 percent of prefectures, autonomous prefectures, cities, and counties in northwest China had set up their military installation protection committees and offices, made up of personnel from local governments; military units; and judicial, public security, procuratorial, and militia departments. In addition, more than 80 percent of townships and towns had set up leading groups for the protection of military installations. Thus, in all localities, the responsibility for this job was assigned to specific officials, and the "task targets" and the "detailed steps for implementing the law" were formulated.

Since last year, 35 cases of sabotaging military installations have been handled in northwest China. Lanzhou City held two mass rallies, attended by more than 10,000 people, to openly try some lawless people who had sabotaged military installations. Various localities also have handled properly more than 200 cases of land disputes over the locations of some military installations.

At present, the masses in northwest China have raised their understanding of the significance of protecting military installations. In the period before the 1991 Chinese New Year, the Lanzhou Military Region received more than 100 letters sent by local civilians to expose cases of damaging military installations or to put forward proposals for protecting military installations. More than 120 civilian units expressed their willingness to voluntarily manage local military installations. In Shaanxi, Gansu, and Ningxia, more than 100 civilians voluntarily undertook the duty of protecting military communications lines totaling more than 2,000 km.

### Beijing Region

HK2802044791 Beijing RENMIN RIBAO in Chinese  
22 Feb 91 p 1

[Report by Zhang Kunping (1728 0981 1627) and Wang Zhenkai (3769 2182 0418): "PLA (People's Liberation Army) Units and Local Governments in North China Jointly Protect Military Installations"]

[Text] Military units and local governments in North China jointly manage the military installations in the region, and effectively protect their safety. Up to the end of last January, 95 percent of the military installations in



that region were kept in good condition, and in some localities 100 percent of the military installations were in good condition.

After promulgation of the "PRC Law on Protecting Military Installations," the Beijing Military Region and the five provinces and municipalities in north China carried out overall inspection of the military installations. Then, the leading comrades of the Beijing Military Region, the three military services stationed in Beijing, the Armed Police force, and the provincial and municipal governments held a meeting in Beijing to jointly formulate the "rules for the protection of military installations in North China" and other relevant measures. At the same time, the military and civilian sides jointly established military installation protection committees at various levels. "Military-civilian joint management groups" also were set up in townships and villages. The task of managing each military installation was assigned to specific personnel, and contracts on managing and protecting the military installations were signed.

Last July, the Beijing Military Region and the provinces and municipalities in North China jointly organized the propaganda campaign to give publicity to the "Law on Protecting Military Installations." They also combined the propaganda campaign with patriotic education, spiritual civilization construction, popularization of legal knowledge, and national defense education.

The Beijing Military Region and various provinces and municipalities jointly settled some tough problems in light of the "Law on Protecting Military Facilities," keeping local social and civil conditions in mind. The leading comrades of various prefectural (city) and county party committees and people's governments in Hebei Province visited all military units at and above the regimental level stationed in Hebei. They settled some longstanding problems with regard to the protection of military installations. For example, Baoding City closed 30 mining sites that endangered the safety of nearby military facilities, while Tianjin Municipality renewed the delimitation of the areas of 38 military installations. Various provinces and municipalities also allocated special funds for protecting and maintaining local military installations in consideration of the financial difficulties of the military units.

#### Commentator's Article

HK2802044991 Beijing RENMIN RIBAO in Chinese  
22 Feb 91 p 1

[Commentator's article: "Conscientiously Protect Military Installations"]

[Text] The "PRC Law on Protecting Military Installations" has been in force for more than six months. Protecting military installations according to the law is an obligation of party committees and governments at all levels, and is also a glorious duty for all citizens. Those who damage military installations will be punished according to the law. This has been more and more

deeply understood by the people. More and more leading organs and cadres have paid greater attention to the work of protecting military installations. The situation in which military installations in some localities were damaged has begun to change. Of course, some localities have not yet effectively implemented the "Law on Protecting Military Installations," and deliberate damage still occurs from time to time. This state of affairs should be watched continuously.

National defense is the basic guarantee for a nation's survival and development, and military installations constitute the basic conditions for consolidating national defense. After the founding of New China, whatever difficult conditions we found ourselves in, through careful calculation and strict budgeting we still allocated necessary financial, material, and human resources to build up an integrated system of military installations on our broad territory over the past several decades, thus laying the material foundation for defending the motherland, resisting foreign aggression, and safeguarding our national security interests and the integrity of our territory and sovereignty. Protecting the safety of the military installations and keeping them in good condition is the concrete action of protecting state property, defending the motherland's security interests, loving the motherland, and supporting the armed forces.

To protect military installations, leaders at all levels first should attach importance to this matter. How well the military installations in a locality are protected is contingent, to a large extent, on how deeply the local leaders understand the significance of national security and on whether they attach importance to the protection of military installations. Henceforward, if any military installations are deliberately damaged to a serious degree, local leaders must bear unshirkable responsibility.

To protect military installations, we should actively and properly conduct patriotic education, further arouse the people's enthusiasm for cherishing national interests and supporting the armed forces, and make people treat the relationship between individual and state interests correctly and understand that national defense is closely bound up with their civil rights and duties. With the masses increasing their sense of national defense, the small number of lawless people who deliberately damage military installations will find no place to hide.

To protect military installations, we should adopt effective measures, an important one of which is to give full play to the role of militiamen and the reserve force in urban and rural areas. The militia and reserve forces constitute an important component part of the military forces in our country, and they most deeply understand the vital importance of military installations. In many localities, the militia and reserve forces have organized special detachments to carefully protect local military installations. They have achieved marked results in doing this, and should be imitated by other localities.

To protect military installations, we also should combine this work with legal education. While helping the masses



better increase their sense of law, we also should punish severely those lawless people who damage military installations. Those lawless people who damage military installations and disrupt military activity actually harm our national security and social stability. Only by applying legal sanctions against such lawless people can we safeguard the dignity of the law and check illegal acts of damaging military installations.

It is hoped that all localities and departments will make joint efforts to create the good public conduct of cherishing military installations and supporting national defense construction.

### **Commentator on Strengthening Unit Leadership**

*HK2602121991 Beijing JIEFANGJUN BAO in Chinese  
10 Jan 91 p 1*

[Commentator's article: "Brigade and Regimental Party Committees and Administrative Offices Should Effectively Strengthen Leadership: On Strengthening Grass-Roots Party Branch Building (Part Seven)"]

[Text] As headquarters in the forefront of grass-roots building, brigade and regimental party committees and administrative offices should place grass-roots party branch building at the top of their work, and do it well. Practice in grass-roots party branch building in recent years has shown that whenever a good job is done in building party branches, giving play to their role as a powerful fighting force, it is invariably inseparable from the efforts of brigade and regimental party committees and administrative offices, which attach importance to the work in a down-to-earth way with efficient leadership.

To augment the leadership of brigade and regimental party committees and administrative offices, it is primarily necessary to do a good job in unifying people's understanding. The importance of augmenting the leadership of brigade and regimental party committees and administrative offices in grass-roots party branches must be seen from its bearing on the basic building of the people's army, adherence to the party's absolute leadership of the army, and whether or not the glorious mission with which the party and people have endowed our army will be fulfilled smoothly. Thus, they will consciously regard doing grass-roots party branch building well as an important duty and a top-priority task, while grasping the work firmly and doing it well with unremitting efforts.

To augment the leadership of brigade and regimental party committees and administrative offices in grass-roots party branches, it is imperative to improve work methods, starting with rendering assistance. Brigade and regimental authorities implement face-to-face leadership in grass-roots units; they should go to companies having trouble to help them summarize their experiences, resolve problems when they crop up, and overcome difficulties when they surface. Brigade and regimental cadres should not pursue "principled" and "macroscopic" leadership. Specifically, while grasping grass-roots party branch building, brigade and regimental administrative organs should grasp work in the

following aspects: First, it is necessary to do a good job in party branch backbone training, helping them continuously elevate the cultivation of party spirit, ideological and theoretical levels and abilities for resolving all sorts of practical issues, and learn to do party work. Second, it is necessary to do a good job of organizational work in educating grass-roots party members, by making thorough plans, teaching in a scientific way, and earnestly implementing the plans, while helping the mass party members work hard to be worthy of their titles ideologically, incessantly augmenting their sense of party spirit, and giving play to their pioneering role. Third, it is necessary for party branches to do a good job in implementing supervision of the organizational system to incessantly augment the sense of principle and militancy. Fourth, it is necessary for grass-roots party organizations to do a good job in recruiting party members by drawing up thorough plans, earnestly nurturing those progressive people concerned so that grass-roots party branches can always maintain a relatively stable number of party members. And fifth, it is necessary to grasp weak links in party branch building; countermeasures should be promptly studied regarding universal problems, while rendering individual assistance; those units lacking experience should be offered specific education, assistance, and training. Regarding the small number of units with rather conspicuous problems, efforts should be organized and sent to give them special assistance.

To augment leadership of brigade and regimental party committees and administrative organs in grass-roots party branches, the committees and organs must work hard to elevate their own ideological levels and work abilities. We must see that companies themselves do not answer for problems existing in grass-roots party organization building, while those problems are attributed to the lack of attention and poor guidance of higher level party committees and administrative organs. This being the case, we should examine the leadership weaknesses in grass-roots party branch building problems to see whether or not one has fulfilled one's duty. "Tempering steel invariably calls for the strong physique of a blacksmith." If someone fails to give prominence to party branch building as the core of augmenting grass-roots building, how can we expect him to guarantee placing the work at top priority? If someone lacks rich knowledge and experience in doing a good job of grass-roots party branch work, how can we expect him to assist companies to do a good job? The solution to this issue is primarily for party committees and organs to augment the sense of "party committees managing the party." At the same time, it is necessary to study and work hard. Some cadres of brigade and regimental administrative organs have never been tempered at the grass-roots level, and lack practical experience in party branch work. It is necessary to organize them to temper themselves at the grass-roots level. Although some of them have some experience, they are not good at viewing the whole situation, summarizing the situation to make improvements; hence the need to help them improve their ideological level. In a

nutshell, it is necessary to "find problems at the grass-roots level as well as in leading organs, building grass-roots party branches as well as leading organs." By grasping grass-roots party branch building, not only their features will change, but party committees and administrative organs also will greatly improve their work method and style.

### **Conventional Weapons Test Center Established**

HK2602130891 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1253 GMT 26 Feb 91

[Text] Beijing, February 26 (HKCNA)—In a bid to promote the modernization of its national defence capabilities, China has developed a joint army, navy and air force test centre for conventional weapons in Horqin Pasture in the Inner Mongolia Autonomous Regional and at the foot of Hua Shan in Shaanxi Province.

The centre is not only able to carry out testing of all kinds of conventional weapons under actual battle conditions, but also hi-tech aviation and space tests. The centre is also capable of a comprehensively designed shooting range for foreign countries as well as training specialists. Major conventional weapons used by the Chinese armed forces as well as light weapons have all been tested and evaluated there for mass production.

The centre was the first in recent years to have successfully created facilities for electronic radius detectors, an anti-tank missile testing system, environmental simulation laboratory, short-distance fuse towers and artillery loadings.

The large-scale environmental simulation experimental station produced by the centre won second prize in the State Scientific Progress Award in 1986. It can be used for many different environmental tests for tanks, radar and precision equipment. It can be used for environmental simulation tests for heavy duty civilian vehicles, mining machinery and facilities for water conservancy.

The centre has accomplished over 5,000 test projects in the past 30 years.

### **Naval Survey Group Aids Coastal Development**

HK2602074791 Beijing JIEFANGJUN BAO in Chinese  
6 Feb 91 p 1

[Report by Huang Caihong (7806 1752 5725) and Guo Zhilong (6753 3112 7893): "Survey Ship Group of North China Sea Fleet Makes Contributions to Development of China's Golden Coast"]

[Text] For the last few years, a survey ship group of the North China Sea Fleet has traveled more than 120,000 nautical miles along China's coast, completing a drawing task on a dozen or so key projects along the coast, with 250 charts urgently required for the country's construction. This has filled out the gap in China's history of sea surveying. The group was gloriously awarded the Merit Citation-Second Class and was commended as an advanced unit by Shandong, Hebei, and Tianjin.

Reports on achievements came a few days ago: According to the Weishan Hu chart provided by this survey group, the state has started the projects of diverting water from this lake to the north; Hebei and Tianjin have completed and put to use the deep-water port constructed in the Huang He delta according to the chart provided by the group; the Weifang soda factory, the biggest of its kind built in China according to the survey group's chart, is now producing a large amount of soda ash; at Huangdao Port, oil tankers are being loaded with oil to be transported to different parts of the world according to routes prescribed by the survey group's chart.

Following the exploitation of China's golden coast, key construction projects in coastal areas urgently require the relevant charts. These projects include the maritime chemical industry, oil exploration, port construction, the salt industry, shipping, tourism, marine breeding, and environmental protection. Bearing in mind the urgent needs of these key projects, the survey ship group has undertaken difficult drawing tasks along China's coast and in shoals.

The comprehensive survey on resources along the Bo Hai coast is one of the key scientific research projects approved by the State Council. After six months of hard work, the survey group successfully completed an 896 km-long survey mission in the Bo Hai and along Hebei and Tianjin coasts. The state wanted to build a port in the Huang He delta. Officers and soldiers of the survey group went to shoals, beaches, and marshlands in the Huang He estuary to carry out surveys for eight difficult months. After "combing" the delta area, they drew high quality sea charts. To provide scientific data for the state to proceed with its water diversion projects from south to north and to harness the Weishan Hu, the survey group inspected the lake area, covering some 1,300 square km. Instead of two and one-half years, as originally planned, they spent only one year fulfilling their survey mission. Instructed by the State Council and ordered by the Navy, the survey group took up the job of surveying the continental shelf in the East China Sea. Braving winds and waves, they worked day and night and satisfactorily fulfilled their task four months ahead of schedule, thus winning the title "iron feet that measured the sea."

## **Economic & Agricultural**

### **National Conference on Economic Reform Continues**

#### **Social Insurance System Viewed**

OW2702161091 Beijing XINHUA in English  
1019 GMT 27 Feb 91

[Text] Beijing, February 27 (XINHUA)—In face of an ageing population, China is pressing forward with the reform of the social insurance system by gradually establishing pension insurance, with the cost borne by the state, enterprises and individuals.

By the end of 1990 the number of retired workers and staff members had reached 23 million, and the number will climb to 40 million by the end of this century.

Chen Jinhua, minister in charge of the State Commission for Restructuring the Economy, outlined the social insurance system reform at an ongoing national conference on economic reform.

As for employees in the state-owned enterprises, he said, the state will introduce individual insurance schemes.

As regards employees in collective enterprises, he said, the state will gradually establish pension insurance that will combine social insurance with individual savings account accumulation.

For employees in foreign-funded and private enterprises and self-employed individuals, the state will introduce a pension system with contributions from individuals and combining individual savings account accumulation and mutual aid funds.

For farmers and employees in rural industry, Chen suggested the establishment of a rural pension insurance system with self-insurance as the main content and collective aid as a supplement.

At the same time, the minister said, China will make efforts to reform the existing insurance and welfare systems for employees in state departments and institutions.

By the end of 1989 a social pension system had been introduced in state-run enterprises in 2,200 cities and towns, and in collective enterprises in 1,400 cities and towns.

However, the minister noted, the existing system leaves much room for improvement. With its limited coverage the economic burden on the state remains heavy, he said.

### Market Reform Pledged

HK2802024491 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Feb 91 p 11

[By Willy Wo-lap Lam]

[Text] Beijing has endorsed the market-oriented experiments that have been carried out in the last 12 years and vowed to take reform one step further.

This is the message of the on-going National Work Meeting on Economic Reform, which has been convened at the behest of patriarch Mr Deng Xiaoping to map out reform measures for the decade.

At the same time, provincial leaders attending the conference are taking advantage of the liberal atmosphere to lobby for more autonomy.

Participants at the meeting, which includes senior cadres from the State Council ministries, launched a bitter attack on the "ossified economic structure" that had held sway before Mr Deng introduced urban reform around 1984.

The meeting affirmed measures to expand the collective and private sectors. Participants agreed they "have

changed the monolithic public ownership system, that has proven to be incommensurate with (improvements in) productivity levels".

The conclave also endorsed experiments in price reform, giving enterprises more autonomy, and creating markets in areas including finance, labour and investment.

The Chinese media yesterday quoted participants as saying the reforms had not yet led to the transition from the traditional to a new system.

"The management mechanism of enterprises under the total public ownership system is still irrational, the prices of many products are unreasonable and competition based on equality and orderliness cannot yet take place."

Officials urged a faster pace in introducing market mechanisms, especially ways to render large-scale state enterprises less dependent on government handouts.

Provincial officials, who consider themselves victims of the recentralisation which got into high gear in early 1989, were specially vociferous in demanding continuation of market reforms.

Their common argument was that unless reform continued unabated, both economic and political stability would be affected.

At the same time, officials in many coastal cities and provinces have taken their own initiatives in formulating bold policies.

For example, the deputy mayor of Guangzhou, Mr Li Ziliu, has announced a package of reforms.

Mr Li said it centred on "deepening financial reform by issuing more securities while accelerating the preparations for establishing securities markets", including the Guangzhou Stock Exchange.

Other measures mooted include the large-scale promotion of stock companies and the encouragement of the "annexation of enterprises"—meaning inefficient business units would fold and be absorbed by more vigorous ones.

Until late last year, the central Government had vehemently opposed plans by Guangzhou to open the nation's third stock exchange.

A Chinese economist said: "The participants in the meeting are much more positive about Deng's experiments than the first drafts of the Eighth Five-Year Plan (1991-95), which had zeroed in on the imbalances engendered by his liberalisation measures.

"Moreover, shoving aside caveats recently issued by central planners against 'over-ambitiousness in reform', the conference seems to have endorsed full steam ahead with change."



**Chen Muhua Rewards Pharmaceutical Personnel***OW2602183091 Beijing XINHUA Domestic Service  
in Chinese 0758 GMT 26 Feb 91*

[Text] Beijing, 26 Feb (XINHUA)—A commendation meeting for excellent management of pharmaceutical units and entrepreneurs, jointly sponsored by the State Pharmaceutical Administration, the China Management Association of Pharmaceutical Enterprises, and the China Association of Pharmaceutical Entrepreneurs, was held at the Great Hall of the People today. Representatives from ten excellent enterprises and 45 excellent entrepreneurs received gold medals from leaders such as Chen Muhua and Li Desheng.

During the "Seventh Five-Year Plan" period, China's pharmaceutical enterprises achieved marked results by constantly concentrating on economic progress. Its annual industrial output value scored an increase of 16.6 percent, with a 17.1 percent of annual export growth rate and a 10.2 percent annual increase rate in labor productivity. Management of pharmaceutical enterprises also climbed to a new level, with a large group of enterprises becoming first- and second-grade state enterprises. Large and medium-sized backbone enterprises and a large group of excellent entrepreneurs who are both hard-working and innovative in their endeavors have made tremendous contributions in achieving these successes. The ten enterprises and 45 excellent entrepreneurs who received awards today are outstanding in their field.

**Second-Grade Titles of 23 Enterprises Revoked***OW2402182391 Beijing XINHUA Domestic Service  
in Chinese 0216 GMT 23 Feb 91*

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 23 February (XINHUA)—The State Enterprise Guidance Committee recently announced the revocation of the second-grade state enterprise titles of 23 enterprises. It also issued warnings to 178 second-grade state enterprises, asking them to carry out rectification and reorganization within a prescribed time.

According to statistics, the relevant departments of the State Council last year reexamined 1,989 enterprises that were named second-grade enterprises during 1987 and 1988. The number represented 47.2 percent of the present total of second-grade state enterprises. Of these enterprises, 1,591 passed various 1989 examination norms and management standards for second-grade enterprises, representing 80 percent of the total number of enterprises reexamined.

The 23 enterprises had their titles revoked mainly because they incurred operational losses, caused extraordinarily serious accidents, or seriously violated financial and economic discipline. The 178 enterprises were ordered to rectify and reorganize mainly because they failed to reach selected individual examination norms or management standards.

The State Enterprise Guidance Committee pointed out in its circular: All departments and localities have attached importance to reexamination work, and most departments were able to insist on high standards and strict demands in handling enterprises failing to reach examination norms. Chemical, energy, light industry, textile, electronics, and other departments have done what they must in revoking the titles of disqualified enterprises. This has met the demand that enterprises should not enjoy "tenure" once they are upgraded.

The circular says: Results of the reexamination have shown that during the period of rectification and reorganization, the overwhelming majority of enterprises have withstood the rigorous test of sudden changes in the objective economic environment and have overcome the difficulties of a weakening market, shortage of funds, and short supplies of raw materials. This has guaranteed a steady rise in their product quality and sustained growth in their economic results. Their basic experiences were: First, using the development of new product lines to increase the variety of designs and colors and to raise product grade and quality in order to maintain brisk sales, and second, strengthening operations and management, undertaking transformations, exploring hidden potential, and improving their assimilation ability in order to increase economic results. As a result, given the same external environment, these enterprises have been able to maintain the standards of second-grade state enterprises. In addition, many have raised their qualities to new heights.

**Article Views Current Economic Situation***HK2702122391 Beijing RENMIN RIBAO in Chinese  
20 Feb 91 p 5*

[Article by Yan Yi (0917 3015): "Reflections on the Current Financial and Economic Situation"]

[Text] The year 1991 is the first of the "Eighth Five-Year Plan." Because of the remarkable results obtained in the economic improvement and rectification stage, generally speaking, the national economy will march even more closely along the path of sustained, stable, and coordinated growth. However, it also faces considerable conflicts and obstacles which, from the bank's perspective, are primarily described as the "three problems and two threats".

Greater difficulty in raising savings. The fairly big rise in savings last year may be attributed to numerous objective factors, such as market sluggishness, wage adjustments, transfer of capital of individual households, and a large number of derived deposits. This year, along with growth of production, revival of the market, and distribution of various types of bonds, the people face more choices in terms of financial assets and this will lead to a smaller rise in savings. Greater difficulty in striking a balance between credit receipts and payments. This year, the state credit plan allows for only a 78 [figure as published] percent increase in the level of credit over last year. On one hand, given the fairly drastic rise in credit last year, the demand for credit capital from all sides has increased this year, while many



gaps still exist in the lending of liquid capital and fixed assets. On the other hand, it is difficult to maintain last year's momentum in raising credit capital. Sharpening conflict between demand and supply of capital and greater difficulty in carrying out structural readjustment and raising economic results. As the existing economic structure is very irrational and economic results fairly low, there is need for readjustment and improvement. However, because of a series of deep reasons, such as the irrational price structure and employment problem, structural readjustment and improvement of economic results will not only definitely conflict with the maintenance of economic and social stability, but will also demand a rise in capital input and step up pressure on the supply of capital, thus increasing the difficulty in handling loans. Once bank credit is overloaded, a greater lending risk exists. At present, of all the operational credit capital in banks, capital funds used in the following four areas have reached more than several billion yuan, or roughly 15 percent of total credit loans in the country: Capital allocated for fiscal support; appropriations for losses incurred by the grain, foreign trade, coal, and gasoline departments; appropriations for potential losses caused by inaccurate auditing of an enterprise's costs; and appropriations for bad debts. These show that bank credit is overloaded and that lending risks have increased.

Fairly big increases in currency circulation leads to the danger of imminent inflation. In 1990, all kinds of bank lending actually rose at a rate of more than 20 percent to 273.1 billion yuan. It registered the highest rate of increase since 1987. At the same time, the rate of increase in currency circulation was above 24 percent. Because of a period of inactivity from the time currency circulation increases to the time commodity price levels go up, last year's credit level and the rise in currency circulation will exert great pressures on this year's commodity price level, heightening the danger of inflation. This reminds us of the need to pay attention to the contradictions and problems in our country's economic operations. At the same time, it reminds us to consider that the role of the banks may have been exaggerated, as has the capability of banks to raise capital. To a fairly large extent, bank credit may have become an underground shelter hiding the problems of the economy.

If the abovementioned situation is to be transformed fundamentally, it is necessary to carry out a comprehensive and systematically coordinated reform and overall rectification. Three policy proposals are cited below:

1. Launching a nationwide general offensive to "tap potential capital."

Enterprises in our country eat up a great amount of capital, while turnover is slow and economic results poor. At the end of last year, total lending by the country's banks and credit cooperatives already stood at 1,600 billion yuan, including loans worth 686 billion yuan provided by industrial and commercial banks to industrial and commercial firms. While capital deposits were large, a considerable portion cannot be collected nor turned over, reducing it to dead money. Hence, in

our economic operations there is a lack of capital funds and, on the other hand, untapped capital with great potential. This has led to a unique paradox characterized by both a shortage and abundance of capital.

In light of this situation, the entire country should launch a general offensive to "tap potential capital and make savings more efficient." The target of this fundraising endeavour may be set on the basis of last year's total capital fund. If 3 to 5 percent of that is tapped, the country's capital will increase by 50 to 80 billion yuan. Industrial and commercial enterprises alone can hope to increase their capital by 20 to 35 billion yuan.

Concrete measures can combine both administrative and economic methods: 1) As with last year's vigorous nationwide drive to clear up "triangular debts," a "leading team to tap funds" can be set up by the State Council and participated in by production committees, banks, and financial departments, with the banks in charge of daily activities. 2) Fulfilment of tapping targets should be delegated by the State Council to all provincial and city governments, on down to all localities, departments, and enterprises with set deadlines. 3) Some preferential economic policies should be adopted. For instance: Losses incurred by firms in dealing with or reducing stockpiles (commodities) should be permitted to be entered as costs; tapping targets should be linked to a new higher credit scale set for this year, with capital tapped going to those responsible for raising it; on overdue loans which have been withdrawn due to the austerity drive, banks can reduce their penalty charges by 50 percent.

2. Strengthening the enterprise self-financing mechanism.

At present, enterprise self-generated liquid capital in our capital is lower than 30 percent, because the development of production relies primarily on bank loans. This not only affects enterprises' ability for self-development but also increases banks' lending risks and aggravates the interest burden for the enterprises. It is generally maintained that there is a need to supplement capital but the means to carry this out lacks tough restrictions and an effective mechanism. It is suggested that the state draw up laws to legislate the question of enterprises generating their own liquid capital and of new enterprises accumulating liquid capital.

3. Clearly defining the scope of policy loans issued by banks and sources of capital.

In recent years, State Council leaders have repeatedly stressed that, as with state banks, specialized banks should shoulder the responsibility of policy banks and discharge the tasks of issuing policy loans. In effect, bank loans in the past were released according to economic and fiscal policies stipulated by the state. The concept and functions of "policy loans" cited specifically now should be clearly defined in terms of their significance, scope, content, and subject. The source of their capital should also be resolved. Otherwise, some localities may use the excuse of "policy loans" to force banks to release some loans which do not comply with the

policy, thereby causing the economy to become heated, credit to rise, and aggravating the risk of lending and the danger of inflation.

### Article Views Economy, Deepened Reform

HK2502150091 Beijing JINGJI CANKAO BAO  
in Chinese 7 Jan 91 p 4

[Article by Zhu Mingchun (2612 2494 2504): "Review of the Economy in 1990 and Prospects for Deepened Reform"]

[Text] Having summed up the situation in economic operation, regulation, and control during the past year, we can acquire the basic enlightenment that without further deepened reform, structural readjustment will become empty talk, economic stability will not last long, and the economic development of our country will have difficulty showing a benign cycle. China needs consensus and determination in deepened reform.

### The Danger of Stagflation Has Not Been Cast Off in the Economy

In 1990, our country still adhered to a deflationary policy in the macroeconomy. Although the credit policy was, in fact, gradually relaxed, the double retrenchment policy became a policy of looseness in one and tightness in the other. However, due to the slack market, economic growth slowed down, a large amount of enterprises circulating funds was turned into goods kept in stock, and the state controlled prices comparatively strictly. Although the tendency toward credit inflation appeared, it did not result in a new round of economic fluctuation and the macroeconomics were basically stable in that year. The policy of structural readjustment was implemented when the gross demand and supply were suitably curtailed. No actual results were achieved in structural restriction. No substantial progress was made in the readjustment of the structure of the productive ability among the enterprises which is a sign of the actual situation of the industry mix and in the readjustment of the structure for resource allocation. Production in the processing industry was suspended or limited and the productive ability was not utilized. Resources were not transferred and the corresponding productive ability was still not utilized. Although investments in the basic industry increased, because the debts owed in the last few years were too many, the productive ability could hardly be enhanced quickly and sufficiently by relying only on the increasing investments and the development stamina still appeared insufficient. It was because structural readjustment was not carried out properly and the relations among enterprises' investments and production were not straightened out that no actual results were achieved. Though efforts were continuously made to enliven the market and production, the enterprises' economic results were not enhanced, products were seriously overstocked, and the benign cycle of economic operation was far away. Having summed up the situation in economic operation, regulation, and control during the past year, we have acquired the basic enlightenment,

which is: Without further deepening structural reform and without basically touching the present structure, structural readjustment will become empty talk, economic stability will not last long, and our country's economic development will have difficulty finding the track of benign cycle. Progress can hardly be made in structural readjustment and the results in enlivening the market and industrial production are not ideal. The fundamental reasons lie in structural restriction:

- Enterprises lack a long-term behavioral mechanism, have no intention of self-restriction during expansion, and are unwilling to readjust their costs in the course of curtailment. The enterprises have a motive to get certain interests and behavioral ability to pursue such interests; on the other hand, they can still eat out of the same big pot of the state. Even if they are overdeveloped enterprises, they suspend work and production but do not reallocate resources. They wait for a favorable turn in the macroeconomic situation and their responsibility, power, and interests do not match one another.
- Under the dual-track economic structure in which the present stage planning and market of our country jointly play a part, the guiding signal in economic operation becomes confused. The foundation for planning to play a part is the vertical guide to the quantitative signal and the administrative control over the principal operative part. Meanwhile, the condition for the market mechanism to play a part is the rational price signal and the guide to the interests of the principal operative part. The dual-track structure confuses two different mechanisms and fails to unify them organically.
- The policy-making relative structures of the central authorities, localities, and enterprises are irrational and macroregulation and control are not vigorous. Conversely, the localities and enterprises can effectively exercise countercontrol over the central government by utilizing the "transfer of the hard gap." This is where they concentrate their spontaneous investments on the light and processing industries with good economic results in the course of economic expansion. They directly or indirectly leave to the central authorities the hard gap, such as investments in the basic industry.

### Consensus and Determination Are Needed in Reform

At present, the market mechanism gradually occupies, in a sense, a dominant position in the economic operation of our country because the foundation of the commodity economy and market mechanism, namely the mechanism of economic interests, has played a part in all economic principal parts. The planning mechanism retreats to the secondary position because of its nature of noninterest. It could well be said that it still cannot be effectively combined with the mechanism of interests and plays a part through the traditional quantitative signal instead of through the guiding signal of interests, like prices. In microeconomics, the status of the principal parts of interests of the principal parts of economic operation, including enterprises, has been strengthened

while the status of the administrative appendages has been weakened, so that the planning mechanism has difficulty playing its part. However, if reform "stops halfway," the market mechanism cannot be brought into full play, enterprises cannot really act according to the law of the commodity economy, and the macroregulation and control mechanisms, including planning, cannot effectively guarantee through the market that the national economy can develop ahead in a continued, coordinated, and steady way. Reform, therefore, cannot "stop halfway" and deepened reform is the only way to make our economy prosperous again.

1. Enterprise reform is still the focal point and core and all reforms must be centered on it.

It is necessary to rebuild the microeconomic foundation so that the economic principal parts, including enterprises, can be really independent, become the producers and operators of commodities with the motive and ability of expansion, and contraction, and can bear the corresponding readjustment of costs. In this sense, the work of delegating power and conceding interests is not done too much but is done insufficiently. The power and interests that originally belonged to the enterprises must be given back to them as soon as possible. The enterprises' behavioral mode is the fulcrum of all macroregulation and control levers. So long as the patterns of the economic principal parts, such as enterprises, are comparatively rational and possess a certain long-term behavioral mechanism, the relative consistency of the target pursued by macroregulation and control can be found in the course of pursuing interests. At present, our enterprises can only make negative profits but do not incur negative losses, can only expand but not contract, and must change the present state whereby enterprises can only be newly built but not go bankrupt. This must begin with reform of the property rights and this issue cannot be avoided. In the future development of enterprises, new forms of the property rights, including the stock system, can be gradually introduced in the course of further improving the contract system so that enterprises have their own steady, clear, and long-term interests. Meanwhile, the corresponding enterprise management system and workers' income distribution system must be established so that the workers can acquire their personal long-term interests from the enterprises' long-term interests. Only by doing so can we further better the enterprise management system and improve the enterprises' behavior.

2. Reform of prices must gradually regard the relaxation of control as the main aspect on the foundation of straightening out the price parity relations as soon as possible.

Practice proves that if there is no foundation of enterprise reform and if there is no mechanism to regulate prices according to the situation, slight regulating measures can hardly achieve the aim of straightening out the price mechanism. The apparent defect is that the time of twisting prices is prolonged. Moreover, as the intervals of readjustment are long, dual-track pricing operation and the price mechanism are most likely to restore the old pattern of price parity on the new foundation and the

dangerous mechanism of "returning to the old price parity," which would likely lead to serious inflation, will come into being. At present, the price factor must be taken into consideration in the new round of trade contracts and enterprise contracts. With the emergence of the phenomenon that each does things in his own way in price reform, it is necessary to publish a unified plan for price reform as soon as possible to lay stress on straightening out the price parity relations; otherwise, we shall once again probably miss a good chance for price reform brought about by the present "buyers' market."

3. The separation of the functions of the government from those of the enterprises is the necessary guarantee of microinvigoration and, meanwhile, effectively building the macromanagement structure with indirect control as the main aspect.

No doubt, thorough reform of enterprises can only be smoothly carried out under the conditions of the separation of the functions of the government from those of the enterprises. To improve the organizational structure, to consolidate and develop groups of enterprises, and to gradually substitute trade management for departmental management, it is also essential to separate the functions of the government from those of the enterprises and to reduce administrative interference to as little as possible. What is more important, corresponding to microinvigoration, it is essential to promptly straighten out the relations between the central authorities and localities, to build a highly efficient macroregulation and control structure at every grade with indirect control as the main aspect, and to carry out management at every grade with a consistent target; otherwise, it is hard to guarantee an appropriate macroeconomic order. The relations between the central authorities and localities can only be really coordinated on the consistent foundation of separating the functions of the government from those of the enterprises. This is because on the foundation of the new economic structure, not only the central government must ensure the separation of the functions of the government from those of the enterprises but also the local government must not hinder such separation. The local government must be a principal regulation and control body but not the operative body.

In the coming year, the focal point of the separation of the functions of the government from those of the enterprises must be placed on three aspects: 1) The relations between the local government and the enterprises must be straightened out and this is the key to bringing under permanent control the malpractice of cutting places apart; 2) The departmental management structure must be reformed and trade management and organization of cooperation among trades must be carried out according to the principle of professional cooperation and economies of scale; and 3) Necessary policy banks, such as the bank of industry and bank of local development, must be built up and, on this foundation, the financial enterprises should be "run as enterprises." In coordination with reform of enterprises, we must include in the market operation track the financial



structure that is needed in the development of the modern commodity economy; on the other hand, we must also guarantee the effectiveness of the state macro-regulation and control measures.

At present, China needs consensus and determination in properly handling the relations between control over the gross demand and supply and enlivening the economy and deepening structural reform. As we have not built a foundation of the corresponding structure, we can hardly rely only on the loose and tight policy to play a part at the structural level in the course of economic operation of our country and, therefore, cannot basically solve the problems. It is not the slack market that we fear but a slack spirit of reform.

### Aspects of New Economic Structure Outlined

HK2402075891 Hong Kong CHING PAO in Chinese  
No 163, 10 Feb 91 pp 22-25

[Article by Chang Mu (1728 3092): "A New Economic Operational System Will Be Established in 10 Years With the Aim of Seeking the Unity of the Nucleus and Ensuring the Stability of the General Situation"]

[Text]

### Trial and Criticism

The Gulf war has been the focus of world attention since mid-January. News analysts have shown a great interest in analyzing the prospects for the war and the trend of international political development, whereas the development of the situation in such large countries as the Soviet Union and China seems to have been overwhelmed by reports on the Gulf war. At this moment, the CPC authorities, who do not like to hear comments and instructions from the outside world, are relaying the resolution and related measures adopted by the Seventh Plenum of the 13th CPC Central Committee from one level down to another, and are having the resolution and measures implemented. Their main intention is to seek unity and stability, both within the top policy-making leadership strata and the whole society, with a view to smoothly implementing the Eighth Five-Year Plan and the 10-Year Program. In this connection, the CPC authorities have taken the present opportunity to try and handle the cases of those who had been arrested for their involvement in the 1989 democratic movement, such as Wang Dan, Liu Xiaobo, Bao Zunxin, Guo Haifeng, and Ren Wanding, so as to wind up the 4 June incident.

What is noteworthy is that the ideological consolidation of the theoretical and cultural circles is still in full swing at the moment. Many articles are published by newspapers and journals to criticize Hu Jiwei, Li Zehou, Liu Zaifu, Tong Dalin, and former minister of culture and member of the CPC Central Committee Wang Meng. A number of theoretical publications specially designed to elaborate the "four cardinal principles" have started publication one after another, among which are ZHENLI DE ZHUIQIU [PURSUIT OF TRUTH], DANGDAI

SICHAO [TREND OF CONTEMPORARY THOUGHTS], ZHONGLIU [MIDSTREAM], and ZHENDI [FRONT]. From these developments one can see that there are indeed many reasons why the national conference on cultural work, originally scheduled for last year, has been postponed again and again.

### Consolidating the Jiang Administration

As for the seventh CPC plenary session, people abroad have focused on and expected some major reformatory measures or policy readjustments; and many commentaries speculating on personnel changes and differences in political views have been seen in newspapers. The plenary session was not held until the end of last year, when the content of the Eighth Five-Year Plan and the 10-year program was finally revealed. It did not propose anything surprising, and the main theme remains the coordination between reform and opening up policy and the economic improvement and rectification process, and the pursuit of development in the course of maintaining stability. In the words of the CPC top leaders, with a view to preventing drastic growth and decline, no more rash or immature new policies and measures should be proposed frequently.

Another more important point that should be noted is that Jiang Zemin, after assuming office as the CPC general secretary, has time and again emphasized the importance of stability, unity, and balance in the overall situation. All the vigorous measures that have been taken are for the purpose of consolidating the Jiang setup and preventing political turbulence. Among these measures are the ideological rectification operation, organizational consolidation, the operation to eradicate corruption and to promote clean and honest government, the operation to screen and straighten out companies, the campaign to deal severe blows at criminal offenses, the moderate increase in salaries and wages, the process to inhibit price hikes and alleviate inflation, and the efforts to strengthen ideological and political education.

These can be said to be the most prominent characteristics of the Jiang Zemin administration. Recently Jiang Zemin particularly pointed out: **Unity within the party, especially unity within the cores of leadership at all levels, is a question of overriding importance, a decisive factor for the stability of society and the development of our cause.** So long as the party's leadership cores at all levels are united and all the party is united, we will be able to more closely unite the people of all nationalities throughout the country, and our country will be rock-firm. For this reason, while emphasizing the need for furthering reform and opening up, Jiang Zemin demanded that progress and development be achieved through stability and step by step, rather than at the expense of social turbulence.

### "Dialogue" as a Form Has Been Repudiated

During the 13th CPC National Congress, a seven-point strategy for political reform—namely, the separation



between party leadership and government administration, delegation of power to the lower levels, the streamlining of organs, personnel reform, consultation and dialogue, democratic supervision, and the construction of the legal system—was put forth based on a speech on reform of the political structure by Deng Xiaoping in 1980. In the current economic improvement and rectification operation, however, the practice of “delegating power to the lower levels” has been regarded as problematic. As for the principle of “consultation and dialogue” which is said to have been first proposed by Zhao Ziyang, the practice of “dialogue” has been rejected by Jiang Zemin. The Seventh Plenary Session of the 13th CPC Central Committee has again endorsed the view that “China is still at the initial stage of socialism,” and that a reform of the political structure will be indispensable when reform of the economic structure has been fairly developed. The focal point of reform of the political structure rests on the improvement of two systems, namely, the system of the people’s congresses and the multiparty cooperation and political consultative system, both under the CPC’s leadership. Ten persons not affiliated with the CPC have now been appointed to positions at the vice ministerial level in the State Council and the Supreme People’s Court. **It has been alleged that there will be some personnel changes, including some personnel adjustments at and above the ministerial level, during the National People’s Congress meeting and the Chinese People’s Political Consultative Conference [CPPCC] National Committee meeting to be held this March.** We have yet to find out whether politicians recommended by democratic parties will be assigned to still higher positions, as a gesture to demonstrate the CPC’s confidence in furthering the steady process of the political reform.

#### A New Economic Structure

When the CPC put forth the Eighth Five-Year Plan and 10-year program in order to implement the second-stage development strategy, Deng Xiaoping, the general designer of the reform, emphasized that China must not only reach the “well-to-do” living standard by the end of this century but must also “build up an economic structure and operational mechanism characterized by the integration of the planned economy and market regulation.” For just this reason, forwarding and improving various reformatory measures has become the key to the fulfillment of the goal.

It is believed that the planned economy is one of the basic distinct characteristics of the socialist economy. By practicing the planned economy, one can conscientiously maintain an overall proportional economic development and rational distribution of resources and avoid economic anarchy; can mobilize all the community; concentrate necessary financial and material resources on major construction projects, and prevent waste due to duplicate investments; and can properly regulate the distribution of income and ensure social justice. The commodity economy is merely an inherent attribute of the socialist economy and it cannot survive without the market.

Through market regulation, one can effectively link the enterprise’s production operation with market demand, further improve production, enhance management standards, promote competition among enterprises, squeeze out inferior enterprises, forward technical innovation, raise product quality, reduce material and energy consumption, boost the economy, and make the policy-making process and management more scientific through macroscopic control. Therefore, **the basis for the integration of the planned economy and market regulation rests on the observance and application of the law of value.** The planned economy is not confined to mandatory plans and management by objective, it also includes guiding plans as one of its concrete forms. While practicing planned management, one must give full consideration to the supply-demand relations on the market and take the initiative in applying the law of value. The combination of these two aspects is the very basic difference between the new economic structure and the former one.

#### A Great Project

The establishment of an economic structure and operational mechanism that combines the planned economy with market regulation is a great systems engineering project. It is necessary to prepare the requisite conditions for this project through reform. First of all, it is necessary to enable an enterprise that plays a main role in the market to gradually become an entity that can really operate on its own, assume full responsibility for its profits and deficits, exercise self-restraint, and achieve self-development. At the same time, it is necessary to further develop a complete and sound market setup and system, straighten out the pricing system, and establish a reasonable mechanism of price forms; and it is also necessary to make the planned policymaking, guidance, and control process more scientific, and establish a macroeconomic regulation system characterized by the reasonable balance and effective combination of direct and indirect regulation and control. To achieve this we must keep on furthering and deepening a series of reforms concerning enterprises, price, market, finance, monetary service system, labor and wages, commerce, material supply, planning, investment, and so on, promoting the development of the macroeconomic regulation system and the legal system, and improving conditions in such fields as social division of labor, transport and telecommunications, the quality of cadres, staff, workers, and so on. **Deng Xiaoping said these are important theoretical and practical questions.**

#### The Theme of the Eighth Five-Year Plan

The CPC top leadership holds that since the growth rate has been quite high during the first 10 years of the reform, resulting in a total growth of 120 percent, China only needs to keep a lower growth rate for the following 10 years of reform to give an 80-percent growth, which will be high enough for China to fulfill the goal of redoubling its GNP by the turn of the century. In other words, the plan can be accomplished so long as the annual GNP growth is kept at 6 percent or so. **Li Peng said it is necessary that this growth**

rate be really accomplished in a down-to-earth manner, without being inflated, and on the basis of improved economic results. At the same time, it is necessary steadfastly to place agriculture before everything else in economic development, and strive to maintain an annual grain output growth of 5 to 8 million metric tons, thus raising the country's total annual grain output to 480 or even 500 million metric tons by the turn of the century. Also, it is necessary to develop vigorously the energy industry, communications, telecommunications, and the raw and processed material industry, with a view to increasing China's potential in economic growth for the latter half of this decade or even the next century. It is said that in general, for the light and textile industries, the machine-building industry, or even the iron and steel, chemical, and other processing industries, no more new plants will be built; and the output will be increased and economic results be improved mainly through the tapping of latent potential, technological innovation and transformation, and extension of existing plants in these trades.

Li Peng noted that although efforts had been made in the previous period to increase funds to start up the market and promote production, the problem concerning the market has not been properly solved. In consequence, the growth in output has led to overstock of some products, the economic operational cycle being relatively slow, and unsatisfactory economic results. The failure to improve the economic results has thus become a great problem for economic development as a whole. The decline in economic returns has resulted in a decrease in profits, tax payments, and financial revenue. The decrease in financial revenue will in turn lead to a decrease in the capacity for investment in production. As far as the issue of economic results is concerned, it is necessary to take the starting up of the market as a key link and to make the market really operate. In this way production will be boosted.

When talking about the Eighth Five-Year Plan recently, Sun Shangqing, deputy chief executive of the Economic Development Research Center of the State Council, said: Some people think that reform will be slowed down during the Eighth Five-Year Plan. Their view is a misunderstanding. The theme of the Eighth Five-Year Plan is adherence to the principle of integrating reform and opening up with the modernization program.

#### The Four Aspects of Economic Reform

As far as the actual measures of the reform and opening up process are concerned, four aspects merit our attention:

**The key to the adjustment of interests lies in "moderation."** In recent years, as power has been delegated to the local level, the local economy has been boosted. However, some problems have arisen, such as the development of "barriers" between different areas, the blockades that they have enforced against each other, the practices of blindly importing foreign equipment and technology, duplicate construction projects, and the practice of curtailing financial revenue to be turned over to the central government, and so on. The CPC authorities wish to safeguard the state's

capacity for macroeconomic regulation and control by readjusting the structure of central and local interests, and to appropriately concentrate and increase the financial and material resources at the central authorities' disposal, so as to step up the development of national defense and infrastructure construction. At the same time, it is necessary to continue to give full play to the initiative of both the central and local levels, as well as the enterprise and the individual, and the role of all the parties should be taken into consideration. Whether the operation to readjust this structure of interests will be successful or not depends on how "moderately" the operation is conducted.

**Commodity prices will be readjusted piecemeal, and the double-track price system will be gradually turned into a unitary price system.** Regarding price reform, the CPC authorities have emphasized efforts to develop a reasonable balance in price relations between industry and agriculture, between light and heavy industries, and between raw and processed material industry and processing industries, and the need for a readjustment toward the average social profit rate. Meanwhile, it is necessary to take measures to turn the existing double-track price system step by step into a unitary price system, although this could be quite a long process. In response to the common aspiration for the abolition of the double-track price system for capital goods, the State Commodity Price Bureau has pointed out that as the conditions are not ripe for completely terminating the double-track system during the Eighth Five-Year Plan, the problem can only be solved step by step, and no rash operation should be started lest there be any great shock. Li Peng noted: The procedures for price reform certainly must be safe and appropriate and the operation be carried out in the form of piecemeal readjustment. While maintaining a balance between the aggregate supply and demand, one must take into account the capacity of the state, the enterprise, and the public to bear the price adjustment operation. Caution must be exercised in all aspects, including the scale of starting-up projects, in order to prevent any new rounds of inflation. **It is said that the inflation rate will be kept below 6 percent during the Eighth Five-Year Plan.**

#### No More New Special Economic Zones From Now On

**No more preferential policies will be formulated exclusively for special economic zones.** Around the Seventh Plenary Session of the 13th CPC Central Committee, some provinces and autonomous regions in the Chinese hinterland expressed their wish to set up special economic zones or economic development zones after the model of southeastern coastal areas, to speed up local economic development. Having summed up past experience, the CPC leadership decided that in the future, preferential policies will be formulated in favor of some selected trades rather than some specific areas; that is to say, no more new special economic zones will be set up. There are unreasonable points in the practice of setting up such special economic zones. For instance, in such zones, enterprises that fail to meet the requirements of the state's industrial policy can still enjoy preferential

treatment. Therefore, from now on, no more new special economic zones will be set up; except for the Pudong project in Shanghai to which priority will be given in terms of supply of resources, other areas are to enjoy preferential policies on a trade basis. Whichever area starts a project that conforms the state's industrial policy and promises foreign exchange earnings will enjoy preferential treatment granted by the state according to the corresponding policies practiced in the existing economic development zones. By and large, China will continue to vigorously encourage efforts to attract foreign capital and import foreign advanced technology in the interests of economic development.

### The Housing System Will Be Reformed

Living standards will be improved, and the stress will be laid on housing. Statistics show that in the first 10 years of reform, Mainland China's national income was largely devoted to consumption funds, with the proportion exceeding 60 percent. Under the 10-year program, the public's living standards will continue to improve, but the extent of improvement will not be larger than what has been achieved in the past 10 years. The stress will first be put on the housing problem. The urban housing system will be reformed. From now on, the state, enterprise, and individual will all do their share in raising funds for housing projects so that urban construction will be speeded up. At the same time, both the labor insurance and medical service systems will also be reformed. So far quite a few provinces and municipalities have already proposed their general plans for reform of the housing, labor insurance, and medical service systems. In the coming 10 years, China will also devote great efforts to promoting science and technology, education, culture, public health, family planning, environmental protection, and other undertakings. Strategic importance will be attached particularly to the two fields of education and science and technology.

### The Three Major Economic Circles

Mainland China now ranks among the world's eight economic powers. It tops the world in terms of output of coal, cement, grain, cotton, and meat; ranks fourth in terms of steel output and 14th in terms of export volume, only behind the 10 developed countries, Hong Kong, Taiwan, and South Korea, with its import-export trade volume exceeding \$100 billion for three successive years.

The Eighth Five-Year Plan and the 10-year program will once again show Mainland China's ambition for economic-construction-oriented development. The National People's Congress which is to meet this March will discuss and approve these two plans.

Authoritative economic experts hold that three major economic circles will take shape in the world from late this century to the middle of the next century. Namely:

The America economic circle with the United States, Canada, and Mexico as its core.

The European economic circle with the European Community as its core.

The Asia-Pacific economic circle with Japan and East Asia as its core.

The future development trend of the three major economic circles will show five special characteristics, namely: Their development process will be speeded up; technological cooperation will play an important role in the making of the economic circles in the future; the three major economic circles will assume the form of loose economic alliances; the mutual enhancement and integration of the economic circles will become a trend, particularly obvious between the Asia-Pacific and America economic circles; and the relations between different economic circles will shift from the type of closed market to that of open market.

The authorities concerned hold that it is necessary to pay close attention to any new development of economic circles in the world, and to conscientiously formulate and adopt positive, safe, and appropriate policies in response. First of all, China must face the reality squarely and take action to enhance its economic strength. It is necessary to take the initiative in creating all conditions to pave the way for China to join the Asia-Pacific economic circle as soon as possible. Then, with Hong Kong as a base, China can expand its economic ties with all countries and areas in Asia. While playing an active part within the Asia-Pacific economic circle, China can take the initiative in promoting bilateral and multilateral cooperation and friendship with European and American economic circles and with other countries.

### Economist on Mistakes, Opportunities in Reform

HK2802052991 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1007 GMT 22 Feb 91

["Special article" by Chiang Hsueh (3068 7185): "Liu Guoguang Talks Freely About Reform"—ZHONGGUO TONGXUN SHE headline]

[Text] Professor Liu Guoguang, a well-known Chinese economist and deputy director of the Chinese Academy of Social Sciences, said during a recent interview with this reporter that 1990 was a very unusual year in China's history of economic reform, and 1991 would be a year full of opportunities for the reform.

Liu Guoguang pointed out without reservation: Last year, China did not halt in the reform of its economic structure but made big strides in many aspects. However, last year was also a year that merits profound and serious retrospection. China should have made still bigger strides in the reform last year, but the actual progress was not quite satisfactory.

He said: Since we had overestimated the rate of price increase in late 1989, we dared not launch any massive operations in reform last year. Meanwhile, as we had given too much consideration to short-term stability, we could not but act very cautiously. Liu Guoguang added: Reform can



be easily affected by subjective and objective factors, and it is very hard to have the right timing in introducing reformatory measures and to ensure that they are implemented on the right scale. We did seize the opportune time in reform last year, but we did not make full and effective use of this opportunity. This is nothing surprising. He noted: Opportunities are still available now. This year will be a year full of opportunities for China's economic reform. This is reflected in three aspects:

1. Thanks to the economic improvement and rectification operation in the past two years, the superficial contradictions in the economic sector have been substantially eased. We are still far from the solution of such deep-rooted contradictions as structural imbalance, poor efficiency, and distorted structure, which can only be solved through in-depth reform.

2. The "Proposal" put forth by the Seventh Plenary Session of the 13th CPC Central Committee has lit the way for reform of the economic structure, making reform an irreversible great trend.

3. Last year, supply and demand were basically balanced, a bumper harvest was reaped, savings increased steadily, international payments were remarkably improved, and the country enjoyed political and social stability. All these have offered more ample room for reform to develop further in depth.

The economist maintained that attention should be paid to the following points in this year's reform:

—We must not be overanxious for quick results when carrying out reform. Reform cannot do without observing the objective law. If we try to advance reform amid an overheated economy and inflation, the result will certainly disappoint us. This has been proved by numerous facts.

—In launching reform, one must be resolute and never miss any opportunity. For reform, timing is very important because a good opportunity is not always readily available. Opportunities are hard won and can escape very quickly. Therefore in launching reform we must decide very promptly and opportunely. Missing the opportunity for reform and being overanxious for quick results in reform are mistakes of the same nature, and perhaps the former would cause still heavier losses and graver consequences.

—It is necessary to set store by the continuity and coordination between different aspects and stages of reform. Reform is an extremely complicated systems engineering project, and all its subsystems are extraordinarily closely linked with each other. For instance, the financial, monetary, commodity price, planning, foreign trade, and social security sectors must be well coordinated and must support each other. Reform in any single field will never succeed without the support of other sectors.

—Since the excessive credit supply and ample money supply in 1990 have resulted in an increasing inflation pressure

this year, firmly but moderately curtailing the aggregate supply and demand is an important condition for advancing reform this year.

—Since China has always been faced with a difficult financial situation which will not possibly be changed in the near future, improving rather than worsening the financial situation will be a principle that must be followed in reform this year and in the future as well. As for the formulation of reformatory measures, more consideration should be given to the principle of increasing financial revenue and reducing financial expenses. Under no circumstances should we slip back into the old rut—resorting to the formula of delegating power and giving up interests.

Liu Guoguang noted that reform of the economic structure cannot possibly be carried out on a full scale this year, but it is still possible for us to gradually intensify reform in various fields.

Stepping up price reform is the first operation ready to be launched, he said. One may make use of the favorable opportunity of a bumper harvest to reform the agricultural product price structure, adjust and lift restrictions on the prices of some capital goods, and narrow the price gap resulting from the "double track" price system for capital goods.

The housing reform should be speeded up, for reform in this field can reduce the state's outlay in financial subsidies, lighten the state's financial burden, facilitate the withdrawal of banknotes from circulation, boost housing development projects, and promote the development of many trades concerned. Thus housing reform promises many benefits.

Reform of the social security and insurance structure is now an imminent task. The lag of reform in this field has been found to be a major obstacle to reforms in other sectors. Without the feasible systems to accommodate those who are awaiting jobs, to take care of the poor and the aged, and to provide medical and insurance services, society cannot stand bankruptcy of enterprises and unemployment. Hence the readjustment of the structure and improvement of economic returns will be rendered empty talk. Therefore reform of the social security system is a priority task that brooks no delay.

Liu Guoguang said: We are also facing many unfavorable factors in economic reform this year. For instance, both the increasing latent inflation pressure and the increase in extra currency issued are unfavorable to economic stability. On the other hand, as financial difficulty is aggravating, expenditure is increasing, and revenue is decreasing, we are to face a grim situation. Furthermore, as reform is bound to affect the vested interests structure, this will again add to the difficulty. We must be soberly aware of this. Reform is by no means an easy task or plain sailing. However, with unremitting efforts, the year 1991 will make a glorious chapter in the history of reform.



### Coastal Areas Absorb More Foreign Capital

OW2702224391 Beijing XINHUA Domestic Service  
in Chinese 0729 GMT 27 Feb 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 27 Feb (XINHUA)—Last year, the opening of China's coastal cities to the outside world and her special economic zones concluded nearly 10 investment contracts with foreign businessmen each day, absorbing more than \$10 million in investment capital, surpassing 1989 by 18.2 and 14.5 percent respectively, thus further expanding the work of attracting foreign capital.

The investment pattern became rational. According to a statistical analysis, a large part of the foreign capital was invested in productive and developmental projects in energy, raw and semifinished materials, chemical engineering, machinery, and electronics. In Qingdao City, more than 95 percent of foreign investment projects in 1990 were productive; in the Zhuhai Special Zone, productive and raw and semifinished materials projects accounted for 90 of the investment projects. Among the Taiwan-invested enterprises in Xiamen, the number of productive and agricultural developmental projects accounted for more than 90 percent of the total foreign investments.

The investment projects were of higher technical level, and the import of soft technology was given great attention.

Last year, production equipment, technology, and patent projects imported by coastal cities opening to the outside world and special economic zones reached levels equivalent to international standards at the end of the 1970's and beginning of the 1980's; the number of advanced technology projects increased gradually. Some well-known big foreign companies and enterprises invested in new plants in Shanghai, Dalian, and Tianjin. Imported projects shifted from unitary imports of foreign funds to imports of funds, technology, professional personnel, and management experience.

The scale of foreign investment projects expanded, and terms of cooperation were extended. Among the projects approved in Guangzhou City, 13 were projects with an investment of more than \$10 million; among 100 joint ventures, cooperatives, and wholly foreign-funded enterprises in Yantai City, 17 had added investment capital 21 times, the total of which reached \$10 million.

The number of wholly funded investment projects increased rapidly. Investments by Taiwan businessmen have just begun. In Qingdao, Zhuhai, the number of wholly foreign-invested enterprises multiplied. Among the newly registered foreign-funded enterprises in the Shantou Special Zone, more than half were wholly foreign-funded enterprises. Investment by Taiwan businessmen has gradually reached a climax in the southeastern coastal areas. Last year investment by Taiwan businessmen absorbed by Hainan Province exceeded the sum of investments aggregated over the past few years.

In Xiamen, investment from Taiwan accounted for 70-80 percent of all external investments.

Methods for attracting foreign funds have varied from absorbing foreign funds to operating joint ventures, cooperatives, and wholly-owned enterprises to absorbing foreign funds to develop vast tracts of land. In particular, industrial zones for earning foreign exchange built by Taiwan businessmen in Xiamen, Fuzhou, and Hainan have stimulated the development of export-oriented economies in these areas.

### Study of Tarim Basin Reveals Vast Gas Reserves

OW2702182891 Beijing XINHUA in English  
1458 GMT 27 Feb 91

[Text] Lanzhou, February 27 (XINHUA)—The completion of an intensive five-year oil and gas survey of the Tarim Basin reveals an estimated 30 billion tons of petroleum and gas reserves in the basin, experts announced.

The Tarim Basin, China's largest inland deposit basin, covers 560,000 square kilometers in the Xinjiang Uygur Autonomous Region, northwest China.

The survey, conducted by more than 100 scientists, was headed by the famous Chinese petroleum geologists Fan Pu, the deputy director of Lanzhou branch of Chinese Academy of Sciences (CAS), and Ma Baolin, a research fellow of Lanzhou Institute of Geology of CAS.

These scientists conducted three years of field work, covered 40,000 km and collected 12,500 samples. Then, after two years of analysis and research, they finished their report, "Oil and Gas Geology of Tarim Basin", China's first monograph on the comprehensive research of the oil and gas geology of the Tarim Basin.

The result of the survey demonstrates that the northern, central and eastern parts of the basin are rich in oil and gas resources. This achievement provides the theoretical basis for prospecting and yielding oil and gas from the basin.

Directed by scientists, the oil industry department has found many oil deposits, and drilled a number of high-yield oil and gas wells in northern and central parts of the basin in recent years.

In the early 1990's, the first oil field in the Tarim Basin was found. Since 1980, the country has attached great importance to prospecting and exploiting the oil and gas resources in the area.

### Challenges Confront Oil Industry in Coming Decade

OW2502173191 Beijing XINHUA in English  
1631 GMT 25 Feb 91

["News Analysis: China's Oil Industry Faces Challenge"—XINHUA headline]

[Text] Beijing, February 25 (XINHUA)—China's oil industry has decided to give top priority to oil exploration and the development of oil extraction technology in

order to maintain a stable increase in oil output during the last ten years of this century.

In the next five years, China will invest 170 billion yuan in its oil industry.

China plans to increase the total oil output from 138 million tons in 1990 to 145 million tons in 1995, and 170 million tons by the end of this century.

Since the old oil fields in east China have begun a progressive decrease in oil output, oil experts are concerned that the development of China's oil industry will be frustrated if China fails to find enough new oil fields in west China in the next ten years.

At present, the oil fields in east China produce more than 90 percent of the country's total oil output while the proven oil reserves in the eastern part of China remain at over 80 percent. However, all the oil fields, including the Daqing Oil Field in northeast China, are more than 30 years old and have been experiencing 10 percent decreases in output annually.

During the country's Seventh Five-Year Plan (1986-1990), China enhanced its oil production capacity by 78 million tons. Yet, most of this new capacity was off-set by the decreased production of the older oil fields.

Though China had some oil findings in the past five years in the Tarim and other basins in the Xinjiang Uygur Autonomous Region, there are still many difficulties associated with oil exploration in the deserts that need to be overcome.

National demands for crude oil have been increasing by 6 million tons each year. In order to ease the shortage of oil products, China had to cut down its export of crude oil, and even began importing oil in 1986.

As the amount of oil imports has increased successively in recent years, oil experts are concerned that import will overtake and even outstrip exports in a few years.

In this case, China's oil industry is facing the challenge of creating a new oil production capacity that will not only make up for the old oil fields' decrease in oil output, but also maintain a stable increase in the total output.

Looking optimistically toward the future of China's oil industry, Wang Tao, general manager of the China National Petroleum Corporation, said that the industry could manage to keep the output of the old oil fields stable until the end of this century by applying world advanced oil extraction technology.

Meanwhile, the president was hopeful that a number of high-yield oil fields will be found in the western part of China, especially in the Tarim and Turpan-Hami Basins, where China has made fruitful achievements in oil exploration.

## Minister Discusses Agricultural Development

HK2702150491 Beijing RENMIN RIBAO OVERSEAS EDITION 20 Feb 91 p 1

[Report by Lu Peifa (7120 1014 3127) and Chen Mengshan (7115 5492 1472): "Agriculture Minister Liu Zhongyi Interviewed on Agricultural Development in the Coming Decade"]

[Text] Liu Zhongyi was transferred to be the agriculture minister at a time when China was deliberating on and formulating the Eighth Five-Year Plan for National Economic and Social Development. With regard to this topic, he revealed to these reporters some issues related to the 10-year program and the Eighth Five-Year Plan for China's agriculture.

Liu Zhongyi said: The coming decade is a critical period for agricultural development. The main task of agricultural development in the coming decade is, on the one hand, to raise the level of agricultural productive forces, promote overall development of agriculture, increase grain production by two more stages, and maintain a corresponding development of other agricultural products so as to meet the consumption needs at the comfort level; on the other hand, to continue to develop a diversified economy and township and town enterprises, and broaden the avenues for expanding rural employment, increasing peasants' income, and making the rural economy prosperous.

He said: In order to accomplish the goals of agricultural development in the coming decade, China is now formulating concrete policies and measures to this end. The general blueprint remains this: Upholding the principle of developing the national economy with agriculture as the basis, continuing to handle the economic relationship between agriculture and industry and that between rural and urban areas well, organizing and mobilizing the efforts of various departments in the national economy and various social quarters to serve agricultural development, and creating a fine social and economic environment for developing agriculture.

Liu Zhongyi held: Agricultural development depends on, in order of importance, policies, input, and science and technology. This is a summing-up of the basic experiences in China's agricultural development in the past 10 years or so, and a measure that should continue to be adopted in developing agriculture in the coming decade. Specifically speaking, it is necessary to: deepen the rural reform through stabilizing the basic policy for rural areas; further push forward the "promotion of agriculture through science, technology, and education"; strengthen the comprehensive agricultural exploitation and the building of commodity bases; increase the input in agriculture through varied channels; continue to readjust the industrial structure in rural areas in measured steps; gradually reform the circulation system of agricultural products; and so on.

At the recently held national agricultural work conference, Liu Zhongyi made a long speech on the steady

development of China's agricultural production and on the issue of the rural economy. According to the gist of his speech, we should: conscientiously sum up the basic experiences in agricultural development in recent years, correctly analyze the agricultural situation, and keep a sober mind; consistently stabilize the basic policy toward rural areas for a long time to come and, under the precondition of stability, gradually improve it; direct the "advancement of agriculture through science, technology, and education" to the fields and the numerous rural households; according to the task of developing agricultural production, make efforts to increase the input in agriculture; gradually perfect the rural economy's operational mechanism and strive to improve agriculture's external economic environment; conscientiously implement the principle of "never relaxing our efforts in grain production and actively developing a diversified economy" and steadily readjust the rural industrial structure; make unremitting efforts to strengthen the work in supporting the poor; adapt agricultural departments to the new situation, strengthen their new functions, and raise their efficiency.

Liu Zhongyi also emphasized that the task of developing agriculture is still very arduous. What we face is a heavy task and a long way to go, but the potential is high and we can see bright prospects.

#### **Chen Junsheng on Comprehensive Agriculture**

OW2802114091 Beijing XINHUA Domestic Service  
in Chinese 1249 GMT 27 Feb 91

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporters Ji Bin (1213 2430) and Zhang Baixin (1728 4102 2450)]

[Text] Jinan, 27 Feb (XINHUA)—Chen Junsheng, state councillor and head of the State Leading Group for Comprehensive Agricultural Development, pointed out: During the Eighth Five-Year Plan period, we should always regard comprehensive agricultural development as an important strategic measure to enhance our capacity for further agricultural development. We should work hard with one heart and one mind to make new progress in comprehensive agricultural development. During the period, the central government will invest 6 billion yuan in comprehensive agricultural development and plan to transform 80 million mu of middle-yield and low-yield land and reclaim 6.5 million mu of wasteland.

The national meeting on exchanging experience in rural economic work organized a two-day study tour for the delegates to visit Zibo and Weifang Cities, Shandong Province. After returning from the tour, the delegates began to express their views to the meeting today. Vice Premier Tian Jiyun presided over the meeting, and State Councillors Song Jian and Chen Junsheng attended the meeting.

Chen Junsheng delivered a speech to the meeting, entitled: "Make New Progress in Comprehensive Agricultural Development." He first analyzed the situation of basic practice and experience of China's comprehensive

agricultural development in the last three years, and emphatically expounded the potential of agricultural development. He also arranged the comprehensive agricultural development work for the Eighth Five-Year Plan period on behalf of the State Leading Group for Comprehensive Agricultural Development.

Chen Junsheng said: China, with a large population and limited cultivated land, is a country relatively deficient of agricultural resources. This does not mean, however, that nothing is there for us to exploit and use. I should say that on the one hand, China is indeed deficient of agricultural resources; while on the other hand, we haven't done enough to exploit and use the resources at our disposal. Looking deeper into the problem, we find that middle-yield and low-yield land account for two thirds of China's 1.5 billion mu of cultivated land. If we transform them all and increase their per-mu yield by 100 kilograms, our total harvest will increase by 100 billion kilograms. The increase will even be larger if the present per-mu yield of about 100 jin is raised to several hundred jin or even to 1,000 jin.

Taking a broader look, we find that a large quantity of resources remain to be exploited in our country. If we make good use of them, they will become tremendous productive forces. He said: We will need more than 500 million metric tons of grain in the year 2000 to keep the per-capita amount of grain at the 1984 level, 394 kilograms, for China's estimated population at that time. This is a very arduous task. For this reason, we must pay great attention to implementing the strategic measure of comprehensive agricultural development, in addition to carrying out other agricultural measures well.

Chen Junsheng pointed out: In order to attain the above objective, we must seriously implement the guiding ideology, principles, and policies formulated by the CPC Central Committee and State Council for comprehensive agricultural development during the Eighth Five-Year Plan period. According to him, for comprehensive agricultural development during the Eighth Five-Year Plan period, there will be two types of development zones in China, the development zones for state projects, and the development zones run by provinces, autonomous regions, and municipalities and cities with provincial-level economic decision-making authority. The development zones for state projects will be either key development zones or general development zones. According to plan, three large areas and 13 smaller areas in Dongbei [Northeast] Plain, Huanghuaihai Plain, and the middle and lower reaches of the Changjiang will be classified as key development zones. More than 20 areas in some provinces and autonomous regions that buy grain from other parts of the country, and in some cities with provincial-level economic decision-making authority in northwestern and southwestern parts of China, will be classified as general development zones. According to the plan, the central government will first appropriate an agricultural development fund of 6 billion yuan for use in transforming 80 million mu of middle-yield and low-yield land and reclaiming 6.5 million mu of wasteland.



In accordance with the decision of the Seventh Plenary Session of the 13th CPC Central Committee to "step up comprehensive development of agricultural regions, build a number of important agricultural bases, transform middle-yield and low-yield land batch by batch, reclaim wasteland for agricultural use gradually, and transform and build grassland," Chen Junsheng called on all localities to do a good job in nine respects of comprehensive agricultural development:

1. It is necessary to regard the development as a long-term task. All localities should be mentally prepared to fight a protracted war for comprehensive agricultural development, further strengthen their leadership, establish necessary management organizations and fill them with capable personnel.

2. Comprehensive agricultural development is a complex engineering system. Fundamentally speaking, it is a government behavior and a very important measure for the state to readjust the distribution of agricultural productive forces and develop production. All departments should, as always, closely cooperate with each other in doing the job.

3. It is necessary to formulate a good overall plan for regional comprehensive agricultural development, make the best use of resources, and raise overall efficiency to the greatest extent. The departments concerned and the people's governments at all levels should include the work of formulating the regional comprehensive agricultural development plan in their daily agenda, as well as in their 10-year program and Eighth Five-Year Plan for National Economic and Social Development, and help solve problems in the course of work.

4. It is necessary to further mobilize the masses and rely on them to undertake the development project. At the same time, it is necessary to raise agricultural development funds and materials through various channels at various levels.

5. In the course of comprehensive agricultural development, we should pay great attention to efficiency, optimize the distribution of resources and the structure of production, and do a good job in balancing the variety of crops in various regions.

6. Efforts should be made to carry out "necessary supportive projects" and improve "service" and "commodity circulation." The fundamental way to solve problems in this regard is to deepen reform and invigorate commodity circulation. From now on, all the localities undertaking comprehensive agricultural development should also invest in the construction of warehouses in support of the comprehensive agricultural development. Planning committees, financial departments, and banks are requested to support the construction. I hope that all provinces, municipalities, and autonomous regions should seriously adopt several effective measures to invigorate commodity circulation, which is a matter of common concern in development zones.

7. In the course of comprehensive agricultural development, it is necessary to pay full attention to bringing into play the role of scientists, teachers, and technicians.

8. It is necessary to do a good job in auditing comprehensive agricultural development funds and in checking completed projects before accepting them.

9. It is necessary to keep the continuity and stability of relevant policies. All the policies practiced during the Seventh Five-Year Plan period will remain unchanged during the Eighth Five-Year Plan period. The amount of funds for the first group of state projects undertaken by various provinces will also remain unchanged. At the same time, we should strive to formulate some new measures.

### **Nationwide Irrigation Drive on Schedule**

*OW2802020491 Beijing XINHUA in English  
0135 GMT 28 Feb 91*

[Text] Beijing, February 28 (XINHUA)—A nationwide drive to build and improve irrigation facilities has been completed, according to "FARMERS' DAILY."

A total of 4.8 billion man hours of labor had been put into the construction since last October, up 23 percent over last year.

Altogether 5.6 billion cubic meters of earth and stones had been removed, up 19 percent over the same date last year.

Latest estimates showed that, by the end of January, 4.3 million hectares of farmland had benefited from improved irrigation facilities.

The construction had also improved 660,000 hectares of drainage area and 1.1 million hectares of low-yielding salinized soil, and reduced erosion over 16,600 square kilometers.

It would also alleviate the shortage of drinking water for 6.5 million rural people and animals.

According to the paper, many of the irrigation facilities had to be installed during the forthcoming spring to ensure the efficient use of winter construction.

### **Soil Erosion Under Control in Eight Key Areas**

*OW2602111591 Beijing XINHUA in English  
0918 GMT 26 Feb 91*

[Text] Beijing, February 26 (XINHUA)—China has achieved remarkable success in controlling soil erosion and developing eight of the country's poor areas after seven years of effort.

Today's "PEOPLE'S DAILY" reports the eight areas designated for control and development in 1983 included the following: the Sanchuan, Huangpu, and Wuding Rivers, as well as areas in Gansu Province's Dingxi County which are affected by drainage from the Yellow River; the upper reaches of the Yongding River in the Haihe River Valley, and the upper reaches of



Liuhe River in the Liaohe River Valley; and the area surrounding the Gezhouba Hydropower Station Reservoir, along with Xingguo County, Jiangxi Province, which is located in the Yangtze River drainage area.

In the past seven years programs were initiated to control soil erosion in an area of 18,000 square kilometers —31 percent of the total affected area. In addition, 2.42 million mu or 161,000 hectares of terraced fields, leveed fields and paddy fields were constructed. At the same time, trees were planted on 18.55 million mu or 1.23 million hectares as part of the soil and water

conservancy works, and grass was sown on 5.14 million mu or 340,000 hectares of grasslands.

Statistics show that the vegetation rate in these areas increased from 10.8 percent in 1982 to 26.8 percent in 1990.

In 1990, per capita farmland stood at 1.09 mu or 0.07 hectares, forests at 4.34 mu or 0.28 hectares, and economic fruit trees per capita increased to 0.24 mu or 0.016 hectare. In addition, the per capita income in the respective area was doubled.

## East Region

### Governor Speaks on Jiangsu Government Work

OW2802081291 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 27 Feb 91

[Excerpt] The Jiangsu provincial government held an enlarged plenary meeting on 27 February to arrange this year's government work. Vice Governor Gao Dezheng presided over the meeting. Governor Chen Huanyou delivered an important speech.

Governor Chen Huanyou pointed out: This year is the first year in which we implement the 10-year program and the Eighth Five-Year Plan. It is a crucial year in which we continue unfinished work while starting new projects. The general demand set for us is to concentrate on economic construction; strive to solve conspicuous contradictions and major problems; actively straighten out economic relations; make great efforts to improve economic efficiency; promote normal economic circulation and steady growth; develop socialist undertakings in a coordinated way; step up building socialist spiritual civilization, democracy, and the legal system; and consolidate and enhance the political situation of stability and unity.

Governor Chen said: For the purpose of improving economic efficiency, we should put the stress of this year's government work on eight respects—paying attention to keeping a steady agricultural development; actively readjusting the industrial structure; launching the science, technology, quality, variety, and efficiency year campaign to improve efficiency through scientific progress and scientific management; developing an export-oriented economy; making concerted efforts to open up rural market and [word indistinct] market; seriously doing a good financial and banking work; striving to develop science, technology, education, culture, public health, sports, journalism, publication, and other undertakings; and deepening reform of the economic structure and the reform of enterprises to strive to invigorate large and medium enterprises. To meet the needs of the province's economic and social development, the provincial government will pay attention to carrying out 22 tasks. They include building (?nine) mu of land which yields a metric ton of grain per mu, transforming 2 million mu of middle-yield and low-yield land of which 700,000 mu of dry land are to be turned into paddies, fulfilling on schedule the annual state and provincial plans for comprehensive agricultural development in the HuangHuaihai region, reclaiming 50,000 mu of beach land and 100,000 mu of wasteland, [word indistinct] 100,000 mu of cultivated land, and doing a good job in helping 700,000 people overcome poverty. During the science, technology, quality, variety, and efficiency year campaign, each worker of state-owned and collectively-owned enterprises shall be committed to earning 100 yuan more income and saving 100 yuan in expenditure for his or her enterprise on the basis of last year's income and expenditure of the enterprise. The province will organize the execution of 50 projects under the Torch Program and 50 projects at and above the provincial level under the Spark Program. It will accelerate housing

construction for the people and strive for improving housing conditions for more than 60 percent of the families of which the per-capita floor space is under [word indistinct] square meters before the end of the year. The provincial government will [words indistinct].

Governor Chen Huanyou emphasized: It is necessary to study thoroughly the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the third enlarged plenary session of the Eighth Jiangsu Provincial CPC Committee, concentrate on economic work, and rely on the people in Jiangsu to develop the province's economy. The job will start first with the provincial government. [passage indistinct] The responsibility for various jobs of the provincial government will be divided among the governor and vice governors. [passage omitted]

### Shanghai Court Sentences Writer for Slander

OW2702171291 Beijing XINHUA in English  
1600 GMT 27 Feb 91

[Text] Shanghai, February 27 (XINHUA)—Zhang Shimin, a Shanghai writer, was sentenced to six months' imprisonment with one year's probation here today by the Xuhui District's People's Court for writing a novel with the intention to slander others.

The court ruled that Zhang was guilty of slander, and he could no longer publish his novel "*The Cross of Honors*". The court also ruled that Zhang's 4,358 yuan remuneration from the novel should be confiscated and he should compensate the couple who initiated the prosecution for their 1,630 yuan of economic loss.

Zhang's novel first appeared in the third issue of the "Xiaoshuojie" magazine in 1988.

The court confirmed that in writing the novel, Zhang used the peculiar life experiences, the honors, and poems of Yang Huaiyuan, an attendant with the "Changliu" ship under Shanghai Ocean Shipping Administration, and created some plots that were aimed at harming the personalities of Yang and his wife. Zhang's actions seriously damaged the reputation of Yang and his wife.

Since the time Yang initiated legal proceedings against the writer, Zhang republished the novel, disregarding the court's efforts to stop him.

Admitting that in writing the novel he had the intention of venting his spleen on Yang and the novel did harm Yang, Zhang said he was willing to pay compensation to Yang.

But Zhang insisted that his novel was a literary work and he should not shoulder any criminal responsibility.

As the trial was a case of first instance, Zhang was allowed to lodge an appeal to the Shanghai Intermediate People's Court, said Li Han, chief judge of the criminal division of the people's court in the Xuhui District.

## Central-South Region

### Deng Hongxun Attends Enterprise Work Conference

HK2802024391 Haikou Hainan Provincial Service  
in Mandarin 2300 GMT 26 Feb 91

[Text] The two-day provincial enterprise work conference concluded in Haikou yesterday afternoon.

The conference made arrangements for unfolding quality-variety-efficiency year activities in our province.

The provincial government called on various cities and counties, all the relevant departments, and various enterprises, administrative units, undertakings, and social organizations in the production, construction, and circulation domains to cooperate with one another, make concerted efforts, and carry out in-depth quality-variety-efficiency year activities on an extensive scale and in a down-to-earth manner and strive to improve both the economic quality and economic results of our province's enterprises in the course of such activities and enable enterprises to develop along a road characterized by less input, more output, good quality, low consumption, and good efficiency and attain advanced average national level within a period of three to five years in terms of quality, variety, and efficiency.

Provincial Vice Governor Meng Qingping relayed the spirit and guiding ideology of the National Enterprise Work Conference at the conference.

Provincial party committee Secretary Deng Hongxun put forward an eight-point view on unfolding the quality-variety-efficiency year activities at the conference:

1. To closely integrate readjustment and transformation with quality, variety, and efficiency improvement.
2. To closely integrate quality, variety, and efficiency improvement with enterprise management.
3. To closely integrate quality, variety, and efficiency improvement with in-depth reform.
4. To closely integrate quality improvement, variety multiplication, and efficiency improvement with technical innovation and technical revolution.
5. To closely integrate quality, variety, and efficiency improvement with human quality improvement and human enthusiasm mobilization.
6. To closely integrate quality, variety, and efficiency improvement with style building [words indistinct].
7. To closely integrate enterprise standard raising with industrial construction acceleration.
8. To closely integrate quality, variety, and efficiency improvement with labor emulation.

### Article Views Foreign-Invested Projects in Hainan

HK2802022891 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 18 Feb 91 p 3

[Article by Mao Zhijun (3029 1807 0689), director of the Hainan Provincial Economic Cooperation Department: "Hainan Has a Wide Field for Foreign Trade"]

[Text] Practice of reform and opening up has proved that Hainan has made great progress in introducing foreign capital and carrying out economic and technological cooperation with foreign countries. From 1980 to the end of 1990, the province approved the establishment of 1,388 foreign-invested enterprises. Among these enterprises, there were 542 joint-venture enterprises, 414 Sino-foreign cooperative enterprises, and 432 foreign-funded enterprises, with a total negotiated foreign investment of \$1.03 billion and an actual investment of \$372 million. With an addition of foreign loans in different forms, accumulated foreign capital amounted to \$480 million.

The Hainan Provincial Investment Promotion Commission, under the personal charge of principal provincial leaders, was set up in July 1990. Special managerial institutions for foreign economic cooperation have also been set up at the provincial, city, and county levels, thus improving service for foreign investors and enhancing work efficiency. In the meantime, foreign-related economic laws and regulations are being seriously implemented to protect foreign investors' reasonable interests and legitimate rights. This has improved foreign investors' confidence in Hainan. Through three years of hard work, Hainan is now equipped with the basic conditions for large-scale introduction of foreign capital and construction. Since the establishment of Hainan Province, it has approved the operation of 1,093 foreign-invested enterprises, with a contract amount of \$1.03 billion. In this event, negotiated foreign investments stand at \$791 million and actual investments \$296 million. Foreign-invested enterprises engaged in production and exports account for 70 percent. Since the establishment of Hainan Province, other provinces and cities have set up 4,700 enterprises in Hainan, with actual investments exceeding 2 billion yuan. In cooperation with foreign investors, they have also set up a large number of joint ventures.

Recently principal leading comrades from the central authorities have inspected Hainan. They reiterated that the state's preferential policy for the Hainan Special Economic Zone would remain unchanged, and pointed out the need for Hainan to continue the "introduction of foreign capital" and expedite their construction a little, while on the other hand confirming Hainan's idea of "unified planning, introducing foreign capital, developing large stretches of land, and providing comprehensive supplements." Now preparations are being busily made for a number of foreign-invested key projects, including a 272 km-long speedway in the eastern part of the province, 105,000-gate program-control telephone equipment, a 363 km-long optical fiber in the eastern part of the province, the volume expansion of digital

microwave telecommunications lines in the central and eastern parts of the province, a 240,000-kilowatt hydropower station in Daguangba, Fenghuang international airport in Sanya, a 350,000-ton steel factory, a 100,000-ton cold-rolled steel plate factory, the Ziwuxian tire factory in Haikou, the Yangpu development area in Danxian County, and the Guilinyang tourist development area in Qiongzhan. This year the province has arranged for the construction of 33 important foreign-invested projects, with a total foreign investment of \$336 million, a fourfold increase over last year.

### Southwest Region

#### Liu Zhengwei Addresses Guiyang CPC Committee

HK2802062791 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 26 Feb 91

[Text] Liu Zhengwei, secretary of the provincial party committee, addressed the Fourth Enlarged Plenary Session of the Fifth Guiyang City CPC Committee yesterday. He called on party organizations at all levels, under the guidance of the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, to take lead in fulfilling three major tasks: Promoting steady economic development; strengthening party building; and maintaining social stability, thus making fresh contributions to the building of two civilizations in Guizhou.

Comrade Liu Zhengwei fully reaffirmed the work done by Guiyang City over the last year and more. He said: The Guiyang City CPC Committee based their specific policies and measures on actual local conditions, persisted in reform and opening, did solid things for the masses, made their shopping basket project well-rounded, and scored achievements in providing ample commodities, building more houses and highways in urban areas, and covering the city with trees.

He continued: Guiyang should make contributions to the province's economic growth. All levels of party organizations should persist in making economic construction the core of their work, concentrate their energy on economic construction, and vigorously increase productive forces. At present, they should do a good job in carrying out activities to make 1991 a year of quality, variety, and efficiency. It is necessary to promote sustained and steady economic development by deepening reform, opening wider to the outside world, applying scientific and technological achievements, improving management, and raising the quality of enterprises. Efforts should be made to strengthen the economic connections between cities and townships and increase the economic connections between prefectures, autonomous prefectures, cities, and counties in a purposeful way to increase their appeal to foreign investors, market competitiveness, and capacity to provide comprehensive services, making contributions to the economic growth province-wide.

He appealed for endeavor to build Guiyang into a fairly culturally advanced city which enjoys political stability and unity; steady economic growth; fairly developed education, science, and technology; and a tidy and beautiful environment. As the center of the province, Guiyang should serve as a display and a window to the outside world.

He said: We must earnestly tackle the problems caused by a dirty environment, disorder, and poor efficiency and really solve them by taking effective measures. We must set high demands in this respect, improve management, and make great efforts to change the face of the city.

Guiyang City is the political center of the province. Maintaining social stability and good order in Guiyang has a vital bearing on province-wide stability. All levels of party organization throughout Guiyang must uphold the principle that preservation of stability is a matter of paramount importance and make contributions to the maintenance of political stability and unity. It is necessary to strengthen the people's democratic dictatorship, truly improve the work of public security, the procuratorate, and the judiciary, do a good job in organizing campaigns against criminal activities or specific crimes, and penetratingly unfold the movement against the six vices. We should make concerted efforts to address the problems concerned in a comprehensive way in a bid to create a favorable law and order situation.

To strengthen party building, we must presently keep an effective grip on education on three principles for party members, strengthen leadership line-ups, expedite the party's ideological development, and strengthen the organizations at the grass-roots level. In restoring and carrying forward the party's three important work styles [integrating theory with practice, forging close links with the masses, and practicing self-criticism], party organizations must fully play their role as a political nucleus and comprehensively increase the party's rallying force and fighting capacity. It is necessary to strengthen unity, the unity of leading cores in particular. All levels of party organizations, party members, and league members must obtain a clear understanding of the situation and their tasks, enhance their sense of responsibility and urgency toward history and our times, brace their spirits, heighten their confidence, and work hard to raise Guiyang's socialist modernization construction to a new level.

#### Guizhou Nonparty Members Approve New Appointments

HK2702040191 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 25 Feb 91

[Text] Yesterday afternoon, the Guizhou Provincial CPC Committee called a consultative meeting of responsible members from democratic parties, the provincial federation of industry and commerce, mass organizations, minority nationality religious circles, and non-party personages, to solicit their opinions on appointing additional leaders to the provincial People's Congress and Chinese People's Political Consultative Conference [CPPCC].



Liu Zhengwei, secretary of the provincial party committee, Deputy Secretary Long Zhiyi, and responsible members of the provincial Revolutionary Committee of the Chinese Kuomintang, China Democratic League, China Democratic National Construction Association, China Association for Promoting Democracy, Chinese Peasants' and Workers' Democratic Party, Jiusan Society, All-China Federation of Taiwan, All-China Federation of Returned Overseas Chinese, and minority nationality religious circles attended the conference.

The conference was presided over by Wang Siming, head of the provincial party committee United Front Work Department and vice chairman of the provincial CPPCC.

On behalf of the provincial party committee, Long Zhiyi briefed the participants on the basic personal details of the cooptative members who had been subject to investigation by the CPC Central Committee Organization Department and the provincial party committee.

The following 18 [number as heard] comrades spoke at the meeting in turn: Wang Fuqing, vice chairman of the provincial CPPCC, who has no party affiliation; Tang Hongren, vice chairman of the provincial CPPCC and honorary chairman of the provincial Democratic League; Jian Xianai, vice chairman of the provincial CPPCC and adviser to the provincial Democratic League; Zhang Chaolun, vice chairman of the provincial CPPCC and chairman of the provincial Chinese Peasants' and Workers' Democratic Party; (An Diwei), chairman of the provincial Revolutionary Committee of the Chinese Kuomintang; (Wang Demao), chairman of the provincial Democratic League; (You Baixiang), chairman of the provincial China Democratic National Construction Association; (Jiang Xiwen), chairman of the provincial China Association for Promoting Democracy; (Qing Ting), vice chairman of the provincial Jiusan Society; (Huang Yingming) and (Wang Jifu), chairman and vice chairman respectively of the provincial All-China Federation of Industry and Commerce; (Tian Zhongmo), deputy director of the provincial Advisory Office; (Huang Weilian), chairman of the provincial All-China Federation of Taiwan; (Chen Zhaoqiang), chairman of the provincial All-China Federation of Returned Overseas Chinese; Lu Zhenfan, member of the National CPPCC Standing Committee, who is of minority nationality origin; (Zhou Jianzhong), chairman of the provincial China Patriotic Catholic Association; (Du Guangyuan), chairman of the provincial Three-Self Patriotic Movement Committee of Protestant Churches of China; (Bao Jianheng), vice chairman of the provincial China Islamic Association; and (Shi Weihai), chairman of the provincial Buddhist Association of China.

They fully agreed to the namelist of members to be added to the leadership of the provincial People's Congress and CPPCC and spoke highly of the Communist Party's democratic work style.

After earnestly heeding the opinions of other participants, Liu Zhengwei, secretary of the provincial CPPCC, said: Consulting with nonparty members over major issues is our party's traditional work style. Thank you for

your support for the provincial party committee. Though we only presented for discussion the list of members to be added to the leadership of the two organizations, the provincial party committee attaches great importance to the matter. The provincial party committee Standing Committee has held several meetings to discuss the matter. The fact that you are in favor of the provincial party committee's recommendations shows fully that we treat each other with full sincerity and share weal and woe. The provincial party committee will, as always, continue to insist on consultation with nonparty comrades on important issues to make work in Guizhou more successful.

### Tibet To Develop Four Economic Zones

OW2702191191 Beijing XINHUA Domestic Service  
in Chinese 0746 GMT 27 Feb 91

[By reporter Wu Huijing (0702 2585 0513)]

[Text] Lhasa, 27 Feb (XINHUA)—Gyaincain Norbu, chairman of the Tibet Autonomous Regional People's Government, told this reporter recently that during the "Eighth Five-Year Plan" period, or the next decade, Tibet will gradually establish various economic zones featuring local natural resources.

Gyaincain Norbu said: Earthshaking changes have taken place in Tibet in the 40 years since its peaceful liberation, marked by great achievements in socialist construction that have won acknowledgement from the whole world. In 1990, the region's gross national production totaled 2.217 billion yuan; national income, 1.742 billion yuan; and industrial and agricultural output value, 1.024 billion yuan. Following several years of bumper agricultural harvests, production of grain and rapeseed in 1990 registered the region's all-time highs of 555,000 tonnes and 15,000 tonnes respectively. In addition, the number of livestock in pen amounted to 22.8 million head, and the per capita net income of farmers and herdsmen rose to more than 430 yuan.

He also pointed out: The feudal serfdom of the past severely damaged Tibet's social productivity, leaving Tibet with a very weak economic foundation. Despite tremendous leaps in economic construction over the past 40 years, Tibet still lags far behind other parts of the country. In order to accelerate Tibet's economic development, it is necessary to make rational development plans in line with the concept that calls for unified planning with due consideration for all concerned, separated guidance, flexibility, and delegation of decision-making power. Based on the autonomous region's natural, social, and economic conditions as well as its existing productivity distribution, Tibet will be divided into central, western, eastern, and northern economic zones, each with its own advantages and characteristics.

According to Gyaincain Norbu, the central zone will encompass the 18 counties through which the Yarlung Zangbo Jiang, Lhasa He, and Nyang Qu pass, that is, the

"one jiang, two he" area, which is the political, economic, and cultural heartland of Tibet. Comprehensive development will gradually build the area into Tibet's production base for commodity grain, non-staple foods, light industry, textile industry, and handicrafts and into Tibet's center for disseminating scientific and technological applications, making it a comprehensive economic zone, featuring a commodity economy and becoming the radiant center of Tibet's economic and social development. The western zones of Xigaze and Ngari Prefectures will take full advantage of their frontier location to open up to the outside world and invigorate their economies. They will adopt special policies and flexible measures to promote border trade.

Gyaincain Norbu said: The eastern zone of Nyingchi and Qamdo Prefectures, endowed with fine climate and abundant natural resources, will boost the construction of its infrastructure, such as communications and transportation systems, extend lateral cooperation, and enlist human, material, and financial resources both within and outside the area to jointly develop and build processing industries for minerals, forest products and by-products, Chinese medicinal materials, and wool. Taking advantage of its vast grasslands, the northern pasture zone of Nagqu and Ngari Prefectures will enhance the infrastructure for animal husbandry, exploit energy resources, promote an animal commodity economy, and develop processing industries for animal products, in order to raise the comprehensive economic effectiveness of animal products. In addition, it will develop its mineral and medicinal material resources systematically.

### North Region

#### Xing Chongzhi Addresses Meeting of Cadres

SK2802014691 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 26 Feb 91

[Text] At a meeting of the cadres at three levels of Zhangjiakou Prefecture on the afternoon of 26 February, Xing Chongzhi, secretary of the provincial party committee, urged the cadres throughout the prefecture to correctly understand the current situation and tasks, work hard in a down-to-earth manner, enhance confidence, and steadily increase the pace in eliminating poverty. He said: Zhangjiakou Prefecture has experienced historical changes since reform and opening up started. Judging from its level of economic development as a whole and its people's living standard, however, it has yet to completely eliminate poverty. At present, the entire country and province have by and large accomplished the first-step strategic objective of the people having sufficient food and clothes, and have entered the new and important development period for achieving a fairly comfortable standard of living. On the one hand, the masses are experiencing the real benefit brought about by reform and opening up, and feel satisfied with improvement in their living standards. On the other hand, they urgently hope that poverty and backwardness will be changed as soon as possible, and that their living standards will continue to be raised to a new level. Therefore, not only

the new situation but also the party's demand and the people's desire set forth the task of speeding the pace of eliminating poverty and achieving prosperity. Zhangjiakou Prefecture faces many difficulties in eliminating poverty and achieving prosperity. However, it also has many favorable conditions. As far as the entire area is concerned, we have the correct line, principles, and policies laid down since the third plenary session of the 11th party Central Committee, the correct leadership of the party Central Committee with Comrade Jiang Zemin at the core, the proposals of the CPC Central Committee on formulation of the 10-year program and the Eighth Five-Year Plan for national economic and social development adopted at the seventh plenary session of the party Central Committee, and the many preferential policies of the party and state for poverty-stricken areas, which provide more effective support for us to expedite our development. As far as poverty-stricken areas are concerned, they also have many favorable conditions. First, they have advanced examples in various fields. Second, they have fairly mature experiences in eliminating poverty and achieving prosperity. Third, they have a great number of cadres who have enhanced their ability through the tempering and test of reform and opening up. Fourth, they have initially discovered a road for economic development, which is led by science and technology, is focused on industry, and emphasizes simultaneous development of production in various fields, self-reliance in grain supply, and independence in finance. This road for development conforms to the actual conditions of Zhangjiakou. Fifth, they have abundant mineral, grassland, mountain and land resources, most of which have yet to be fully developed and utilized. This represents a great potential.

Comrade Xing Chongzhi stressed: In accelerating the pace in eliminating poverty and achieving prosperity, the key is to work hard with concerted efforts and in a down-to-earth manner. He said: Eliminating poverty and achieving prosperity more rapidly is not only a pressing need but a totally possible task. To turn this need and possibility into reality, the key is that cadres at various levels should further emancipate their minds, carry out their work in a bold and down-to-earth manner, develop the great initiative of the masses in eliminating poverty and achieving prosperity, and work hard with them.

He put forward four specific requirements. First, we should further emancipate our minds, have the courage to make exploration and achieve progress, and enhance our sense of reform and opening up. Second, we should adopt realistic measures, and exert real efforts to pioneer our causes in a down-to-earth manner. A poor foundation is the conspicuous contradiction restricting the economic development of poverty-stricken areas. Therefore, to accelerate the pace in eliminating poverty and achieving prosperity, we should particularly adopt realistic measures, make real efforts and achieve actual results in pioneering our causes through arduous struggle to strengthen the foundation. Third, we should further carry forward the sacrificing spirit of seeking neither fame nor gain, and using selfless devotion. Due to poor conditions and more difficulties, it is hard to work in

poverty-stricken areas. This requires that comrades who work in poverty-stricken areas have a particularly sacrificing spirit, disregarding personal gains and losses, and working hard to help the masses eliminate poverty and achieve prosperity. Fourth, we should further strengthen unity, muster our efforts, mobilize the positive factors from all quarters, and develop our undertakings with concerted efforts. Strengthening unity and mustering our efforts are the prerequisites for working hard in a down-to-earth manner, and eliminating poverty and achieving prosperity more rapidly. Without the prerequisites, people's morale will be dampened, and their efforts will be dispersed or even become mutually counteractive. In this way, the goal of eliminating poverty and achieving prosperity will be difficult to attain. The unity of the leading bodies, the unity between the cadres in and outside the party, and the unity of the masses of Zhangjiakou Prefecture have been very good in the past few years. They should carry forward this fine tradition. Poverty is currently like a great mountain hindering our way ahead. To remove this great mountain, the efforts of all the people is particularly necessary.

#### **Speaks at Party Session Opening**

*SK2802011391 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 28 Jan 91*

[Text] The Second Plenary Session of the Fourth Hebei Provincial CPC Committee opened in Shijiazhuang, the provincial capital, on the morning of 28 January. The subjects under discussion during this plenary session include: Examine and discuss the draft proposal for the focal points of the 10-year program and the Eighth Five-Year Plan of the Hebei Provincial CPC Committee; examine and discuss the draft on the focal points of the work of the Hebei Provincial CPC Committee in 1991; and fill the vacancies in the posts of members of the provincial party committee which resulted from work transfers.

Xing Chongzhi, secretary of the provincial party committee, presided over the session, and made a speech. Entrusted by the Standing Committee of the provincial party committee, Cheng Weigao, deputy secretary of the provincial party committee, made an explanation of the draft proposal for the focal points of the 10-year program and the Eighth Five-Year Plan of the provincial party committee.

In his speech, Xing Chongzhi said: The current plenary session is devoted to defining the guiding ideology, basic tasks, and fighting goals for the province's economic and social development in the coming 10 years and the Eighth Five-Year Plan period, and defining the focal points of the work of the provincial party committee this year. This session will be an important one for the province to actually implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Making this session a success is of extremely great significance in achieving success in the work of the 1990's as a whole, in accomplishing the second-step strategic goals for national economic development, in continuously pushing forward the province's socialist

cause, and in encouraging the people to bridge over difficulties and achieve success in current work.

Xing Chongzhi pointed out: Successfully drawing up the province's 10-year program and Eighth Five-Year Plan is a large-scale project, and thus collective wisdom is needed. He hoped: Comrades participating in the session will concentrate their energy on conducting in-depth discussion, will speak without any inhibitions, will draw on collective wisdom and absorb all useful ideas, and will offer positive opinions and proposals for successfully revising the proposal of the provincial party committee, solving major contradictions and problems regarding the province's economic and social development, making good arrangements for the 1991 work of the provincial party committee, and winning the first battle of the 1990's. By so doing, the policy decisions adopted by the session will become scientific ones which are identical to the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, are compatible with the practical condition of Hebei, and are conducive to organizing and mobilizing the people throughout the province to work hard. With such policy decisions, the province's socialist construction cause will be pushed forward greatly. Through the concerted efforts of all participants here, we should strive to make this session one which seeks truth from facts, carries forward democracy, promotes unity, arouses the fighting will of the people, and paints and creates a bright future.

The provincial party committee's draft proposal for the focal points of the 10-year program and the Eighth Five-Year Plan, which has been submitted to this plenary session for examination and discussion, had been subjected to deliberations and preparations as early as before the convocation of the Seventh Plenary Session of the 13th CPC Central Committee. After the Seventh Plenary Session of the 13th CPC Central Committee, the provincial party committee's Standing Committee studied and discussed this proposal on two occasions, and printed and dispatched the copies of this draft proposal to various prefectures, cities, and provincial-level units for discussion. The provincial party committee also held three forums, with one being participated in by some retired veteran cadres of the provincial level, another by some scientific and technological specialists, and yet another by responsible persons of various provincial democratic parties and nonparty personages, in order to hear their opinions. On the basis of extensively soliciting opinions from various localities, departments, and fields, the provincial party committee conducted repeated revisions for this proposal, and has not submitted this proposal to the current plenary session for examination until it was endorsed in principle, after discussion, by the Standing Committee meeting of the provincial party committee.

In his explanation of this proposal, Cheng Weigao pointed out: In drawing up this proposal, the provincial party committee has paid attention to implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, has combined the formulation



of the Eighth Five-Year Plan with that of the 10-year program by proceeding from the reality of Hebei, and has persisted in the democratic and scientific characteristics of policymaking.

The explanation made by Comrade Cheng Weigao has six parts: 1) Tremendous achievements and major problems in the past 10 years; 2) full understanding of the condition of the province, and formulation of a feasible 10-year program and the Eighth Five-Year Plan; 3) guiding ideology and principle for drawing up the 10-year program and the Eighth Five-Year Plan; 4) overall planning and fighting objectives for the economic and social development in the coming 10 years; 5) major tasks and the 10 issues which should be emphasized during the Eighth Five-Year Plan; and 6) continuing to deepen the economic structural reform in a resolute and positive manner.

Present at the session were Lu Chuanzan and Li Bingliang, deputy secretaries of the provincial party committee; and Ye Liansong, Liu Shanxiang, Chen Yujie, Li Haifeng, Han Licheng, and Zhang Zhenghuan, Standing Committee members of the provincial party committee. Also attending the session were 55 members and alternate members of the provincial party committee. Attending as non-voting delegates were members of the provincial Advisory Commission and provincial Discipline Inspection Commission; responsible comrades of the provincial People's Congress Standing Committee, provincial government, and provincial committee of the Chinese People's Political Consultative Conference, who are not members of the provincial party committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission; principal responsible comrades of the various departments and commissions under the provincial party committee, of the various departments, bureaus, and commissions directly under the provincial authorities, and of the various people's organizations in the province; and secretaries of various prefectural and city party committees, of various prefectural and city discipline inspection commissions, and of party committees of the cities at the county level.

### Hebei People's Congress Meeting Opens 26 Feb

SK2702102291 Shijiazhuang Hebei Provincial  
Service in Mandarin 2300 GMT 26 Feb 91

[Text] The 19th Standing Committee meeting of the seventh provincial People's Congress opened in Shijiazhuang on the morning of 26 February. Guo Zhi, chairman of the provincial People's Congress Standing Committee, presided over the meeting, and gave an explanation on the draft agenda of the meeting. Members endorsed the agenda.

According to the agenda, the participants first heard an explanation given by (Li Chengshi), vice chairman of the Financial and Economic Committee of the provincial People's Congress Standing Committee, on the revision of the draft regulations of Hebei Province on administration of post and telecommunication. After this,

entrusted by the provincial government, (Zhang Linsheng), deputy director of the provincial Justice Department, gave a report on the basic situation in the province's implementation of the first five-year plan for popularization of laws, and on the opinions on arranging the Second Five-Year Plan for popularization of laws. (Li Tie), secretary general of the provincial People's Congress Standing Committee, gave an explanation on the draft regulations for discussion of the Hebei Provincial People's Congress, and (Ji Zhiqiang), chairman of the provincial Nationalities Affairs Commission, gave an explanation on the draft regulations of Hebei Province on [words indistinct] safeguarding the rights and interests of minority nationalities. Entrusted by the provincial government, (Wang Chunran), deputy director of the provincial public health bureau, gave a report on rural public health. After the plenary session to hear reports, participants to the meeting held discussions on the aforementioned regulations and reports.

Attending the meeting were Yue Zongtai, Hong Yi, Zou Renjun, Du Benjie, and Bai Shi, vice chairmen, and (Li Tie), secretary general of the provincial People's Congress Standing Committee. Attending as nonvoting delegates were Ye Liansong, provincial vice governor, Li Yongjin, president of the provincial court, Liu Zongxin, chief procurator of the provincial procuratorate, and responsible comrades of the pertinent departments of the province, the offices and committees of the provincial People's Congress Standing Committee, People's Congress work committees of various prefectures, and People's Congress Standing Committees of the cities under the jurisdiction of the province.

### Northeast Region

#### Heilongjiang Congress Standing Committee Meets

SK2802114991 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 27 Feb 91

[Text] The 19th Standing Committee meeting of the seventh provincial People's Congress opened at Harbin's Beifang Building this morning. The major task of the meeting is to make preparations for the forthcoming fourth session of the seventh provincial People's Congress.

He Shoulun, vice chairman of the provincial People's Congress Standing Committee, presided over this morning's plenary session. Attending were vice chairmen Chen Liemin, Zhang Ruoxian, Wang Yusheng, An Zhendong, Qi Guiyuan, Ji Hua, Zhao Qingjing, and Du Dianwu. Tian Fengshan, provincial vice governor; Tang Lanting, president of the provincial Higher People's Court; and Jia Chengwen, chief procurator of the provincial procuratorate; attended as observers.

The participating comrades heard an explanation given by Yu Yongquan, deputy director of the electoral office of the provincial People's Congress, on the draft decision on increasing the number of the deputies to the seventh provincial People's Congress, and endorsed this decision; and



heard a report given by Vice Chairman Zhang Ruoxian on preparations for the fourth session of the seventh provincial People's Congress, and his explanation on the relevant draft agenda. They approved the decision on the date for the convocation of the fourth session of the seventh provincial People's Congress; heard an explanation given by Vice Chairman Wang Yusheng on the draft namelist of the presidium and secretary general of the fourth session of the seventh provincial People's Congress; a report given by Liu Fuchun, vice chairman of the credentials committee of the provincial People's Congress, on examination of the credentials of the additional deputies; a report given by (Wu Fanglin), vice chairman of the financial and economic committee of the provincial People's Congress, on the revision of the draft budget management regulations of Heilongjiang Province; a report given by Hu Chengquan, director of the provincial justice department, on the province's work of compulsory popularization of laws, and its implementation of the opinions on the plan for popularization of laws given by the central authorities on 5 February; and an explanation given by Vice Chairman Wang Yusheng on election of additional deputies to the seventh National People's Congress.

The meeting is scheduled to last four days.

#### **People's Congress To Convene 6 Mar**

SK2802124491 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 27 Feb 91

[Text] The 19th Standing Committee meeting of the Seventh Heilongjiang Provincial People's Congress approved a decision today to hold the Fourth Session of the Seventh Heilongjiang Provincial People's Congress in Harbin City on 6 March 1991. The meeting also decided to increase the number of the deputies to the Seventh People's Congress from 625 to 650.

#### **He Zhukang on Organizational, Personnel Work**

SK2802005791 Changchun Jilin Provincial Service in Mandarin 1030 GMT 26 Feb 91

[Text] We should summarize experiences, intensify measures, further strengthen the building of the ranks of party members and cadres, and energetically struggle for promoting the province's economic construction and developing the cause of reform and opening-up. This was the central subject of the provincial conference on organizational and personnel work, held in Changchun from 23 to 26 February. Present at this conference were more than 400 people, including directors of organizational departments and personnel bureaus of various cities, prefectures, autonomous prefectures, and counties; and responsible leaders of various departments directly under the provincial authorities. At the opening of the conference, Gao Yan, Standing Committee member of the provincial party committee and director of the organizational department of the provincial party committee, first of all relayed to the conference's participants the guidelines of the national meeting of organizational department directors and speech of Comrade Song Ping.

Standing Committee member of the Political Bureau under the CPC Central Committee. He then made a report on the provincial organizational work in 1990 and the tasks for organizational work in 1991. He said: Last year, organizational departments at all levels throughout the province concentrated on grasping party building, completed the overall examination of leading cadres at or above the county and section levels, and completed the re-registration of party members of various units. Meanwhile, they strengthened the organizational readjustment and ideological and work style construction of leading bodies at all levels; positively promoted reform of the cadre system; and stepped up the building of party organizations at the grass-roots level, the building of the ranks of party members, and the theoretical study and training of leading cadres at all levels. They also penetratingly conducted the study of party building theory, satisfactorily fulfilled work tasks in various fields, and scored remarkable achievements in their work. This year, organizational departments throughout the province should continue to uphold the party's basic line; and should conscientiously implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, the national meeting of organizational department directors, and the sixth plenary session of the fifth provincial party committee. They should strengthen and vigorously grasp the implementation of these guidelines; should comprehensively improve the quality of leading bodies, cadres, and party members; and should promote the smooth progress of the province's economic construction as well as the province's reform and opening-up so that they may commemorate the 70th founding anniversary of the party with practical action.

Yang Qingxiang, director of the provincial personnel department, summarized and arranged for the personnel work of the province.

During the conference, He Zhukang, secretary of the provincial party committee, Wang Zhongyu, deputy secretary of the provincial party committee and governor of the province, and leading Comrades Du Qinglin and Gu Changchun had an informal discussion with some comrades participating in this conference.

After sincerely heeding the remarks of five responsible persons of organizational and personnel departments in Jilin, Changchun, Siping, Baicheng, and Tonghua, Comrade He Zhukang delivered an important speech. He said: The coming decade will be a historical period of crucial importance. The various tasks specified for this decade have a direct bearing on the vicissitudes of the socialist cause. Whether or not we will be able to shoulder the important tasks entrusted by history and to satisfactorily fulfill the general goals of the 10-year program depends primarily on the efforts of all party members and all levels of leading cadres. Therefore, party organizations and government personnel departments at all levels must strive to improve the quality of party members and cadres, and establish a firm leading core with a strong cohesive force and fighting capacity among the broad masses of the people.

He Zhukang pointed out: To improve the quality of party members and cadres, we should, at present, focus our efforts on improving the political quality of party members and cadres; and should strive to make all party members and cadres completely stand for the party's basic line, consciously struggle to fulfill the party's programs, and dedicate themselves to attaining the tasks for the present stage.

He said: In improving the quality of party members and cadres, we should persist in high standards. When recruiting new party members or when selecting and promoting cadres, we must conduct strict examinations in order to actually guarantee quality. Those existing party members and cadres should be helped to improve themselves as quickly as possible by making them undergo regular training or go deep to the grass-roots units to practice.

During the discussion, Comrade Wang Zhongyu said: By gearing the organizational and personnel work to economic construction, we mean that organizational and personnel departments should successfully readjust leading bodies for various units and departments; and should, in particular, choose and provide appropriate major leaders for various units and departments, and then urge them to constantly improve themselves through regular training. At the same time, we should create favorable conditions to enable all types of talented people to fully display their ability, and to attract talented people of other provinces to serve the invigoration of Jilin Province.

In his speech, Comrade Du Qinglin emphatically expounded the forms and methods to successfully grasp the building of ideology and work style among leading bodies. He emphasized: We should pay special attention to enhancing the political steadfastness of leading cadres, to promoting party unity, and to enhancing the cohesive force and fighting capacity of leading bodies. We should maintain honesty and cleanliness, and further temper ourselves with party spirit. Organizational departments of party committees at all levels should actually strengthen their guidance on democratic activities of leading bodies in order to give leading bodies a clear-cut ideological character and really have the ability to solve problems.

### **Jilin CPPCC Committee Session Opens**

*SK2702100491 Changchun Jilin Provincial Service in Mandarin 2200 GMT 26 Feb 91*

[Excerpts] The fourth session of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened in Changchun. This year spring came very early. As soon as the Spring Festival ended, the northern city of Changchun was filled with the color of spring. On the morning of 26 February, 459 provincial CPPCC committee members gathered happily at Nanhu Hotel to attend the fourth session of the sixth provincial CPPCC Committee.

National CPPCC Committee members in our province and CPPCC Committee chairmen of various cities, counties,

and districts across the province also attended this exceptionally grand meeting. Liu Yunzhao, chairman of the provincial CPPCC Committee, presided over the opening ceremony held at 0900 this morning. Vice Chairmen Gao Wen, Zhang Dexin, Geng Yuelun, Luo Yuejia, Jin Minghan, Cai Qiyun, Feng Xirui, and Zhang Hongkui were seated on the rostrum. Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Discipline Inspection Commission, and the provincial military district, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Du Qinglin, Gu Changchun, Xiao Chun, Li Deming, Ren Junjie, Zhou Zaikang, Cheng Shengsan, Cui Lin, Yu Ruihuang, Renqin-zhamusu, Zhu Jinghang, Chen Zhenkang, and Ke Muyun were also invited to the session and seated at the rostrum. Also taking seats at the rostrum were veteran comrades who once served as chairmen and vice chairmen of the provincial CPPCC Committee, including Yu Ke, Liu Jingzhi, Song Renyuan, Che Mingqiao, Yan Zitao, Xin Cheng, and Qian Zhian. [passage omitted]

Vice Chairman Geng Yuelun delivered a report on the work of the provincial CPPCC Committee. He reviewed and summed up the major work of the provincial CPPCC Committee of last year. [passage omitted] Touching on the work of the provincial CPPCC Committee during 1991, Geng Yuelun noted: While successfully carrying out all fields of work, we should pay attention to grasping well six tasks. First, conscientiously implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and actively conduct political consultation and democratic supervision activities; second, strengthen study, unify thinking, consolidate and develop the patriotic united front; third, deeply implement the proposals of the CPC Central Committee on upholding and perfecting the system of multiparty cooperation and political consultation under the leadership of the CPC and the guidelines of the circular of the CPC Central Committee on strengthening the united front work and further display the role of democratic parties; fourth, display the superiorities and actively carry out overseas contacts; fifth, further strengthen the work on motions, literature, and history; sixth, strengthen self-cultivation and unceasingly raise the level of political participation and discussion. [passage omitted]

At the preparatory meeting held before the opening ceremony of the CPPCC committee session, the participants adopted the agenda, schedule, and namelist of secretary general and deputy secretaries general of the session.

### **Quan Shuren Attends Liaoning Committee Meeting**

*SK2802100091 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Feb 91*

[Excerpts] The plenary meeting of the Consulting Committee of the Liaoning provincial party committee and provincial people's government was held in Shenyang today. Well-known experts, scholars, and entrepreneurs from

across the province; veteran comrades; and responsible comrades of concerned provincial-level departments—a total of 160-odd people—gathered under the same roof with provincial leaders to jointly discuss the major plans for Liaoning's development and economic invigoration.

Provincial leaders, including Quan Shuren, Xu Shaofu, Shang Wen, Ge Xifan, Zhang Guoguang, Xu Wencai, Chen Suzhi, and Cong Zhenlong and Gao Guozhu, assistant governors, attended the meeting. Cui Yukun, secretary general of the provincial governor, presided over today's meeting. Xu Wencai, member of the Standing Committee of the provincial party committee and secretary general of the provincial party committee, gave a work report entitled: "Enhance the sense of participation, and display an advisory role in helping the provincial party committee and the provincial government make scientific policy decisions." [passage omitted]

Vice Governor Chen Suzhi announced at the meeting the namelist of the Consulting Committee of the provincial party committee and the provincial government.

Cui Wenxin, deputy secretary general of the provincial party committee and director of the General Office of the provincial party committee, announced at the meeting the decision on commending outstanding advice and suggestions.

Provincial leaders attending the meeting presented certificates of honor to awardees.

(Wu Zhiyan), director of the General Office of the provincial governor, read the regulations of the Consulting Committee of the Liaoning Provincial CPC Committee and the provincial government.

After the meeting, the participants held panel meetings to discuss the basic ideas for the 10-Year National Economic and Social Development Program and the outlines for the Eighth Five-Year Plan of Liaoning Province.

**Minister on Economic Cooperation With Taiwan***HK2602130091 Hong Kong ZHONGGUO TONGXUN SHE in English 1136 GMT 26 Feb 91*

[“Economic Cooperation Potential Between Mainland and Taiwan Is Big”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, February 26 (HKCNA)—The potential for economic cooperation between the mainland and Taiwan is great, the Vice-Minister of Foreign Economic Relations and Trade, Mr Shen Jueren, said in an interview.

Last year was the 12th year since the resumption of economic and trade exchanges between the two sides of the Taiwan straits and also the best year since that resumption, with trade volume registering more than US\$4 billion. Apart from raw materials such as coal, industrial materials including steel products and cement registered remarkable increases in the mainland's exports to Taiwan, showing the mainland's great export potential as well as mutually complementing trade between the two sides of the straits.

Taiwan investment in the mainland also posted a sharp growth with 761 Taiwan-funded projects involving a pledged investment of US\$660 million in the first nine months of last year. Yet the scale of Taiwan investment in the mainland compared with that of Hong Kong was rather small and its technological level was low. This is not proportional to the potential of economic cooperation between the two sides of the straits.

As the mainland is not allowed to invest in Taiwan at present, Vice-Minister Shen observed that it was too early to discuss an agreement protecting investment between the two places. The “Regulations Concerning the Encouragement of Investment by Taiwan Compatriots” promulgated by the State Council three years ago stipulated specific rules safeguarding Taiwanese investment in the mainland.

The mainland will continue to actively promote the realization of two-way direct trade between the two sides of the straits. The mainland while stabilizing its imports from Taiwan will continue to expand its exports to Taiwan in a bid to reduce the trade deficit and strike a trade balance between the two sides.

With the current situation of indirect trade between the two sides, the mainland's exports to Taiwan are subject to restrictions detrimental to economic exchange between the mainland and Taiwan. The vice-minister expressed the hope that more Taiwanese businessmen would join him in getting rid of the obstacles and find a reasonable solution to normalizing trade.

Over the coming decade, the mainland, Mr Shen said, would have to implement the Eighth and Ninth Five-Year Plans with the target of further doubling the GNP. At the same time, Taiwan would also engage in its 6-year plan of economic construction. For the common aim, to make China

stronger and more prosperous, people on both sides of the straits have many things to do. Mr Shen said that he believed with the combination of talents and strong points from both sides, China would surely enter the 21st century at a stronger pace.

**Taiwan Firm Forms 1st Joint Venture in Shanghai***OW2602194691 Beijing XINHUA in English 1538 GMT 26 Feb 91*

[Text] Shanghai, February 26 (XINHUA)—The Zhongxing (Chunghsing) Textile Corporation Ltd. of Taiwan and the Shanghai No. 9 Knitting Mill today declared the establishment of a corporation in Shanghai for jointly producing “Sanqiang” brand underwear.

54-year-old Su Shounan, director of the No. 9 Knitting Mill, was elected the corporation's chairman of the board while Chen Shengfa, who is with the Taiwan company, was appointed general manager.

The two enterprises are famous for producing “Sanqiang” brand knit underwear. The new joint venture, which will also produce “Sanqiang” brand knit underwear, expects to export 75 percent of its products to Japan, Southeast Asia and East Europe.

Zhongxing Textile Corporation Ltd. is the first enterprise in Taiwan to receive formal approval to invest in the Chinese mainland. Its investment will be sent to Shanghai through its subsidiary company in Hong Kong.

The construction of the joint venture, with a term of 20 years, will be carried out in two phases. In the first phase, the joint venture will lease the existing shops and space of the No. 9 Knitting Mill and produce 500,000 dozen pieces of various types of underwear each year.

In the second stage, the corporation will build a new factory which will cover two hectares of land and will have an annual production capacity of 2.5 million dozen pieces of knitwear.

**Meeting Marks Taiwan Uprising Anniversary***OW2702185191 Beijing XINHUA in English 1656 GMT 27 Feb 91*

[Text] Beijing, February 27 (XINHUA)—Taiwan compatriots in Beijing urged the Taiwan authorities for a just reprisal of the Taiwan uprising, which broke out on February 28, 1947, at a meeting held this afternoon to mark the 44th anniversary of the armed uprising.



On February 28, 1947, local policemen in Taipei beat up peddlers and, during ensuing demonstrations, killed three protesters. This enraged Taipei citizens who began an armed rebellion that lasted nearly half a month. The protesters were finally suppressed on March 13, when some 30,000 participants were killed by the army and police. One of the survivors, Cai Zimin, chairman of the Taiwan Democratic Self-Government League, said Taiwan compatriots on the mainland and the people in Taiwan now demand that the Taiwan authorities redress the case as soon as possible. They want the authorities to stop pursuing the policies of "Two

Chinas" and "One China and One Taiwan" and appeasing the Taiwan separatists; and promote the peaceful reunification of Taiwan and the mainland and common prosperity.

Lin Liyun, chairman of the All China Federation of Taiwan Compatriots, and other leaders of China's non-communist parties attended the meeting.

About 100 Taiwan compatriots in Fujian Province, east China, also held a meeting this afternoon to mark the anniversary of the uprising.

**Minister Predicts End to U.S. Trade Disputes***OW2702174691 Taipei CNA in English 1521 GMT  
27 Feb 91*

[Text] Taipei, Feb. 27 (CNA)—Economic Affairs Minister Vincent Siew said Wednesday that economic and trade relations between the Republic of China [ROC] and the United States are moving into new territory in which cooperation instead of confrontation will be a major feature in bilateral ties.

Siew said both sides are now in a position to cooperate in jointly exploiting Asian and Pacific markets. A decision by the U.S. Federal Express Co. to use Chiang Kai-shek International Airport in northern Taiwan as its transshipping center in Asia showed that American business community is aware that both sides will gain by cooperating, he said.

Cooperation between the two countries has seen a dramatic improvement in trade, with the ROC trade surplus falling to U.S.\$9.1 billion in 1990 from U.S.\$12 billion in 1989, Siew continued. The days of confrontation over so-called Section 301 disputes will soon be over, he predicted.

Section 301 of the U.S. trade law authorizes the United States to take retaliatory action against trading partners for allegedly unfair trade practices. The United States, resorting to the provision in seeking access for U.S. companies to Taiwan markets during the past five years, has touched off an emotional reaction from the Taiwan business community.

With the trade gap between the two countries narrowed and Taiwan poised to become a financial, transshipping, and science and technology center in the west Pacific, Siew said ugly disputes over Section 301 will soon be history.

**Discusses Plans for Aerospace Industry***OW2702175391 Taipei CNA in English 1550 GMT  
27 Feb 91*

[Text] Taipei, Feb. 27 (CNA)—The Republic of China Government has finalized a long-awaited plan to develop the aerospace industry, Economic Affairs Minister Vincent Siew said Wednesday.

Siew said a plant will be built as soon as the Taiwan Aerospace Co., the center of the plan, has successfully raised the NT\$6 billion [new Taiwan dollars] in funds needed for the first phase of the plan.

More than 60 percent of the funds has come from the private sector, an indication of the enthusiasm of private enterprises for the plan, he added.

The development of the aerospace industry, Siew said, is expected to upgrade the technological levels of the country's machinery, electronics and plastics industries.

Huang Hsiao-tsung, director the organizing committee of Taiwan Aerospace, said the company has signed a number of draft agreements with foreign manufacturers which will guarantee its future sales.

**Taiwan Ready To Open Kuwait, Israeli Missions***OW2702165691 Taipei CNA in English 1446 GMT  
27 Feb 91*

[Text] Taipei, Feb. 27 (CNA)—The Republic of China's representative office in Kuwait will reopen immediately after the Gulf war ends and the situation in the emirate returns to normal, an official said Wednesday.

Taipei closed its office in Kuwait in mid-August last year, soon after Iraqi forces invaded the oil-rich emirate last Aug. 2.

The Ministry of Foreign Affairs official also said the Republic of China and Israel may exchange offices "within a few months."

He added, however, that the process of exchanging offices between the two countries may be slowed because of the post-war reconstruction of the Jewish state, which has been attacked by Iraqi missiles during the Gulf war.

Taipei and Tel Aviv began mutual contacts a long time ago and have established direct channels of communications between them, the official noted.

Asked if the Republic of China would help with Kuwait's reconstruction, he said, Taipei will make a decision based on the emirate's needs and the attitudes of Japan, South Korea and Western countries.

**President Approves Public Bond Financing Plans***OW2702174791 Taipei CNA in English 1538 GMT  
27 Feb 91*

[Text] Taipei, Feb. 27 (CNA)—President Li Teng-hui of the Republic of China said Wednesday that the Executive Yuan's plan to float public bonds to help finance national development projects was "correct."

The president made a lengthy comment after hearing Premier Hao Po-tsun and other officials report on the central government's fiscal 1992 budget at a National Security Council meeting.

The Executive Yuan's NT\$992-billion [new Taiwan dollars] budget proposal for fiscal 1992, which will begin July 1, was 19.9 percent higher than that of the previous fiscal year.

Li said it was "appropriate" for the cabinet to focus the budget on stimulating domestic demand at a time of international economic slowdown and sluggish exports.

The cabinet plan to issue NT\$250 billion worth of government bonds to mainly fund public construction projects was "in the right direction" since the private sector, whose investment willingness has been low, still has "abundant capital," the president said.

Public spendings must be effectively used in order to achieve the 6.64 percent economic growth target, he said as he urged government offices to improve their budget planning. President Li also asked government agencies to attend to price stability, which he said was critical for continued economic growth.

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